

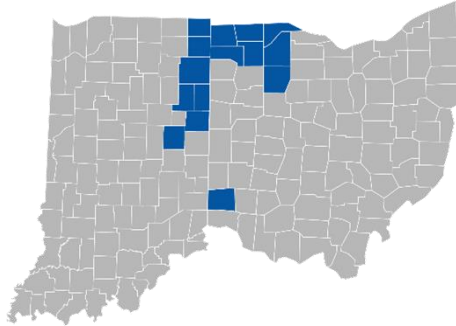


2021 Third Quarter Investor Presentation

Forward Looking Statement

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 October 31, 2021):
 - P/LTM EPS: 12.6x
 - P/2021 Q3 Tg. Book: 1.5x
 - 2021 Q3 Adj. ROA: 1.17%⁽¹⁾
 - 2021 Q3 NIM: 3.53%
- 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 Robust net income growth
- Total assets on a pro-forma basis of \$2.6 billion and have grown at a 31% CAGR since 2018
- Net income on a pro-forma basis of \$26.4 million, and have grown at a 20% CAGR since 2018

⁽¹⁾ROA adjusted for Acquisition related expenses in Q3 2021

Track Record of Growth

- Management team focused on creating value by increasing earnings and executing growth oriented strategic plan
- Completed the acquisition of Perpetual Bank Federal Saving Bank in October 2021
- New full-service office opened in FT. Wayne in Q2 2021
- Acquired Ossian Financial Services, Inc. in Q2 2021
- Purchased the assets and clients of Adams County Financial Resources in Q4 2020
- Three new LPOs opened in 2020 in OH, IN, and MI

F&M Market Highlights

	Ohio	Indiana
Deposit Market Share ⁽¹⁾	#4	#4
Offices	18	12
Population ⁽²⁾	778,859	541,877
Total Businesses ⁽²⁾	56,045	41,494
Agricultural Land ⁽³⁾	1.5 mil. acres	1.2 mil. Acres
Farms ⁽³⁾	5,756	5,939
Avg. Median HH Income ⁽²⁾	\$57,925	\$54,826

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

⁽²⁾ According to U.S. Census Bureau

⁽³⁾ According to USDA

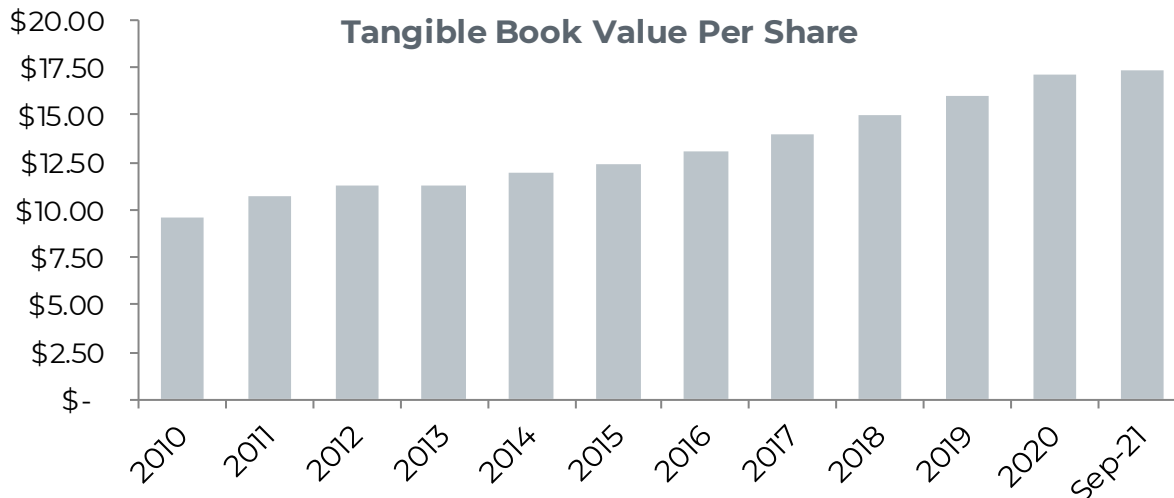
Proven Earnings Model...

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

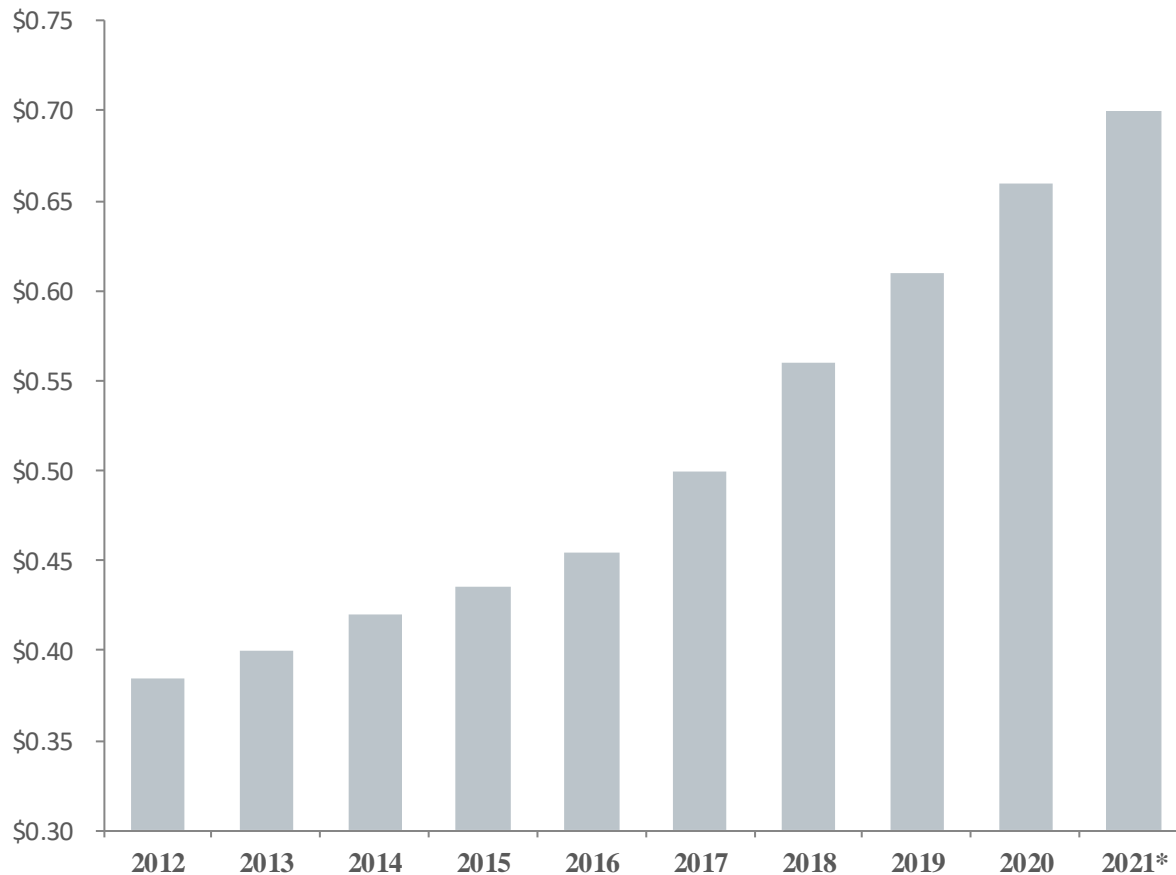
Tangible Book Value Per Share



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

...Creates Value for Shareholders

Annual Dividends



The Company's annual dividend has increased for 27 consecutive years as a result of its strong capital position and high-quality loan portfolio

In September 2021, F&M's Board of Directors increased the quarterly cash dividend by 5.9% to \$0.18 per share

Only 10 publicly traded banks out of 797 in the country have a longer track record of consecutive dividend increases according to data from S&P Global Market Intelligence

Q3 2021 dividend payout ratio was 33.8%

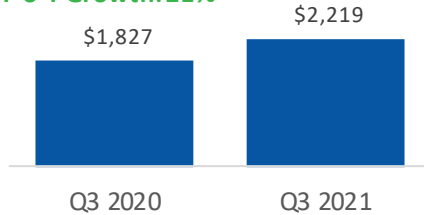
Annualized yield at October 31, 2021 was 2.8%

*Annualized

Total Assets (\$ in millions)

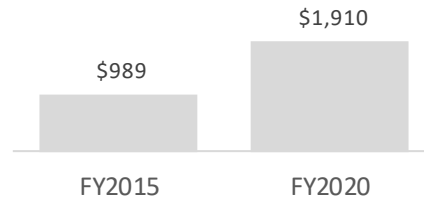
Third Quarter

Y-o-Y Growth: 21%



5-Year Growth

CAGR Growth: 14%

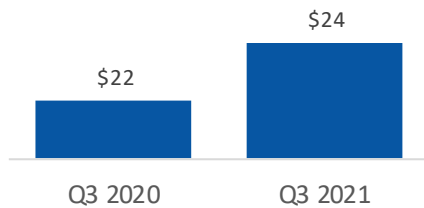


- Loans, net increased 48.2% year over year, driven by Ossian acquisition.
- Organic loan growth was 12.6% on a year-over-year basis
- Increase in cash and cash equivalents, and available for sale securities were the primary drivers of year-over-year asset growth

Total Revenue (\$ in millions)

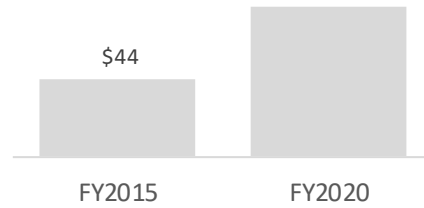
Third Quarter

Y-o-Y Growth: 10%



5-Year Growth

CAGR Growth: 14%

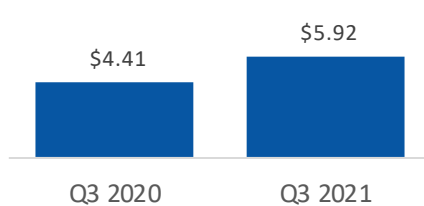


- Avg. earning assets grew 22.1% to \$2,094 million in Q3 2021

Net Income (\$ in millions)

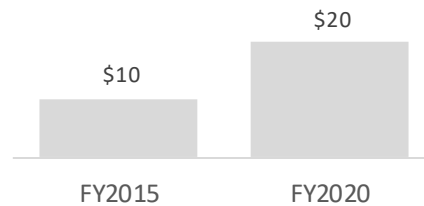
Third Quarter

Y-o-Y Growth: 34%



5-Year Growth

CAGR Growth: 14%



- Higher net interest was driven by larger scale from acquisitions, organic growth and diverse revenue streams.

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

Executing our Strategic Plan

F&M continues making significant progress in each of its five strategic objectives

Customer Acquisition and Retention

- Grew deposits 22.9% YoY at Q3 2021
- Q3 loans increased 13.6% organically year-to-date, not including recent acquisitions or PPP loans
- 4th largest bank based on deposits in both our Ohio and Indiana markets.

Attract, Develop, and Retain Talent

- Multiple promotions throughout the organization
- Attracted new associates from outside the organization including new high-quality commercial, ag, and healthcare lenders
- Added two new strong directors representing F&M's expansion into the Detroit and Urbana markets

Actively Pursue Accretive Acquisitions

- Closed the acquisition of Perpetual Federal Savings Bank on October 1, 2021
- Closed the acquisition of Ossian Financial Services, Inc. in Q2 2021
- Purchased the assets and clients of Adams County Financial Resources in Q4 2020

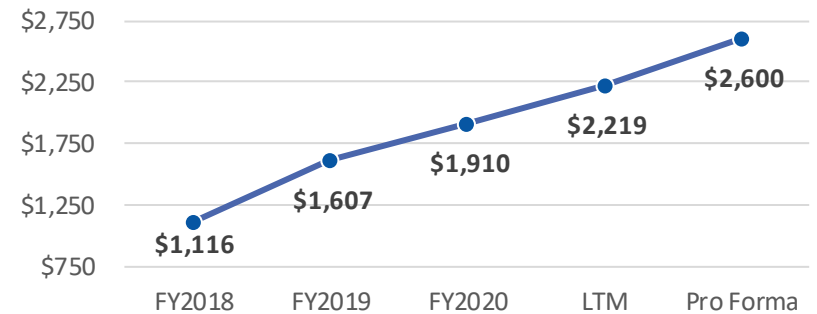
Drive Financial and Operating Excellence

- Implemented office re-alignment strategy that will further F&M's efforts to control noninterest expense
- The Bank has had 16 consecutive months with an operating efficiency ratio in the 50% range when removing affiliate and acquisition expenses

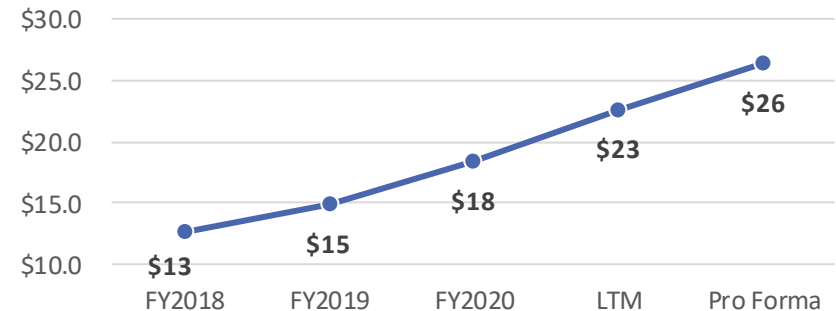
Develop Compelling Digital Strategy

- 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

Total Assets: Implied CAGR of 31% (\$ in millions)



Net Income: Implied CAGR of 20% (\$ in millions)



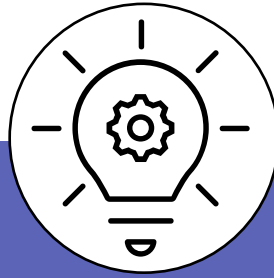
FMAO's pro forma results include the Perpetual Savings Bank acquisition which was announced on May 4, 2021, and closed on October 1, 2021.



Improve the
customer
experience



Leverage
Modern
Technologies



Upgrade
Systems and
Processes



Reskill
Workforce



Align
Leadership
and Culture

2020 Digital Engagement Growth



Increase in
Mobile Deposits



Increase in
ACH Services



Increase in
Positive Pay Services



Increase in
Wire Transactions

Experienced Leadership Team

Average of 27 years of banking experience

Lars B. Eller

President, Chief Executive Officer & Director



Mr. Eller joined F&M in September 2018. He has more than 30 years of banking experience, which includes positions at PNC Bank, Royal Bank of America, and TD Bank.

Barbara J. Britenriker

EVP, Chief Financial Officer & Chief Retail Banking Officer



Ms. Britenriker has been employed by F&M for 35 years, beginning in the new accounts department and progressing through operations to become the Comptroller and then the CFO.

Edward A. Leininger

EVP & Chief Operating Officer



Mr. Leininger has been with the Bank for 45 years. He began in the bookkeeping department when the Bank had two offices and \$45 million in assets.

Rex D. Rice

EVP & Chief Lending Officer



Mr. Rice has been with the Bank for 40 years. He began his career as an Assistant Agricultural Banker serving the Wauseon and Delta areas.

Shalini Singhal

Chief Information Officer



Ms. Singhal joined the Bank in 2020 and has over 20 years of information technology and banking experience.

Benét S. Rupp

SVP & Chief People Officer



Ms. Rupp joined the Bank in 2019 as the Chief People Officer. She has over 32 years of HR experience and most recently served as Senior Vice President, HR at ProMedica.

Amy L. Cover

VP, Marketing Manager



Ms. Cover joined the Bank in 2009 as the Marketing Assistant and was promoted to her current position as Vice President/Marketing Manager and joined the executive team in 2019.

Katrina DeGross

SVP, Chief Financial Officer (Farmers & Merchants State Bank)



Ms. DeGross joined F&M in 2016 as Comptroller. In 2019, she was promoted to SVP/Chief Financial Officer for the Bank. Katrina has almost 30 years of finance experience.

Brett Baumeister

SVP Regional President



Mr. Baumeister joined F&M in 2019 and has over 30 years of commercial banking experience. In 2021, Brett was promoted to SVP/Regional President of F&M's Southern Ohio market.

David Gerken

SVP Senior Commercial Banking Manager



Mr. Gerken joined the Bank in 2016 and was promoted in 2020 to his current position. Mr. Gerken has over 27 years of commercial banking experience.

Phillip Lucas

SVP Regional President



Mr. Lucas serves F&M as SVP/Regional President of the East Central Indiana market. He has over 34 years of banking experience and came to F&M in January 2019 through the merger with the Bank of Geneva.

Alexis Smith

VP Talent and Organization Development



Ms. Smith joined F&M in 2020. She has over 23 years of HR, training and development experience, across multiple industries.

Experienced Non-Executive Directors

Jack C. Johnson
Chairman
Age: 68



Partner of REJO Partnership and owner and President of Hawk's Clothing Inc.

Andrew J. Briggs
Director
Age: 66



Former Chairman of Limberlost Bancshares, Inc and President of its wholly-owned subsidiary Bank of Geneva

Kevin J. Sauder
Vice Chairman
Age: 60



Chief Executive Officer and President at Sauder Woodworking Company

Steven J. Planson
Director
Age: 61



President at Planson Farms, Inc.

Eugene N. Burkholder
Director
Age: 66



Owner and Manager of Falor Farm Center, Inc.

Frank R. Simon
Director
Age: 51



Founding and Managing Member of Simon PLC Attorneys & Counselors.

Jo Ellen Hornish
Director
Age: 67



President and CEO of several Defiance area companies.

K. Brad Stamm
Director
Age: 68



President and Educational Consultant of Stamm Management Group

Lori A. Johnston
Director
Age: 59



President of ProMedica Insurance Corporation

Marcia S. Latta
Director
Age: 59



Serves as Vice President for Advancement at The University of Findlay

David Vernon
Director
Age: 54



Operates Vernon Family Funeral Homes in Champaign County, Ohio and active in numerous organizations throughout Champaign County.

Ossian (“OFSI”) Acquisition

Timeline	<ul style="list-style-type: none"> • Announced: December 21, 2020 • Closed: April 30, 2021
Overview	<ul style="list-style-type: none"> • Two full-service offices in Ossian and Bluffton • Natural extension of FMAO’s community bank footprint and complementary fit with FMAO’s recent acquisition of Bank of Geneva completed in early 2019 • Attractive deposit mix with ~ 28% in noninterest bearing, 11% in time deposits and cost of deposits at 0.19% for the 3Q 2020
Financials	<ul style="list-style-type: none"> • Reported \$122 million in total assets, \$58 million in loans and \$108 million in deposits at September 30, 2020 • Consolidated tangible equity equaled \$11.9 million at September 30, 2020 • Normalized net income of \$788,000 for the 9-month period ending September 30, 2020 and \$1.3 million for the 12-month period ending December 31, 2019. (OFSI was an S-Corp.)
Multiple / Pro Forma Results	<ul style="list-style-type: none"> • Deal Value: \$20.0 million • Price / TBV (based on OFSI’s TBV at 9/30/20): 168% • Expected Year 1 EPS Accretion (excluding one-time after-tax transaction costs of \$1.6 million): 6.2% • Expected Year 2 EPS Accretion: 7.1% • Internal Rate of Return: >16%

Perpetual (“PFSB”) Acquisition

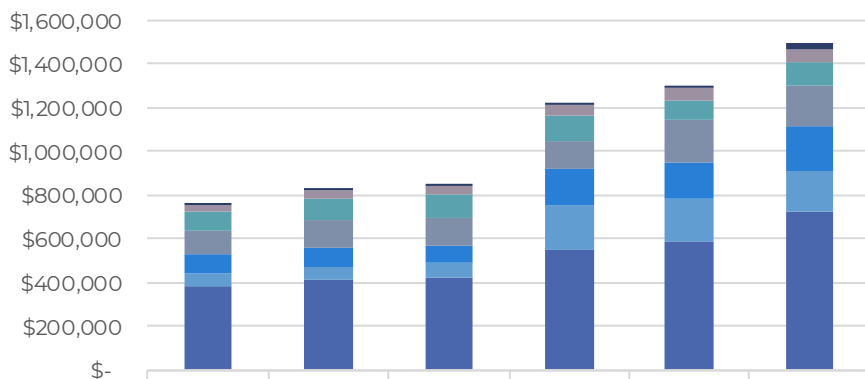
Timeline	<ul style="list-style-type: none"> • Announced: May 4, 2021 • Closed: October 1, 2021
Overview	<ul style="list-style-type: none"> • One full-service location located in Urbana, Ohio • Represents FMAO’s largest acquisition to date • Provides a stable net interest margin franchise with a low noninterest expense base • Unique opportunity to transform PFSB’s customer base to FMAO’s full array of retail / commercial products and services • Extension of FMAO’s franchise into Urbana, Columbus, Dayton, Springfield, Piqua, Tipp City, Troy and Sidney markets with significant fill in potential
Financials	<ul style="list-style-type: none"> • Reported approximately \$391 million in total assets, \$326 million in loans and \$305 million in deposits at 03/31/2021 • Tangible equity equaled \$79.1 million at 03/31/2021 • Net income equaled \$1.2 million for the quarter ended 03/31/2021 and \$4.8 million for the 12-month period ended 03/31/2021
Multiple / Pro Forma Results	<ul style="list-style-type: none"> • Deal Value: \$103.7 million • Price / TBV (based on PFSB’s TBV at 3/31/21): 131% • Expected Year 1 EPS Accretion (excluding one-time after-tax transaction costs): 10.0% • Expected Year 2 EPS Accretion: 14.5% • Internal Rate of Return: >20%

Track Record of Loan and Deposit Growth

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

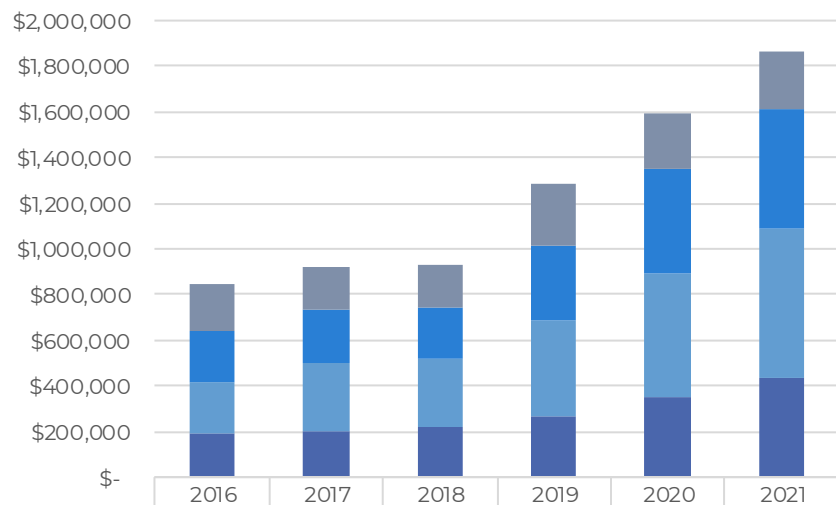
Loans, net (in thousands)

- Loans have increased at a 14% CAGR from 2016 to 2020
- Strong loan growth outside of PPP and acquired loans at September 30, 2021, increasing 13.6% year-to-date.



Total Deposits (in thousands)

- Deposits have increased at a 17% CAGR from 2016 to 2020
- Deposits at September 30, 2021 increased 22.9% year-over-year



Time	\$198,830	\$187,566	\$187,413	\$276,563	\$247,553	\$252,383
Savings	\$226,537	\$233,949	\$227,701	\$322,973	\$455,145	\$529,532
NOW Accounts	\$230,446	\$298,711	\$298,254	\$423,655	\$542,317	\$646,237
Noninterest-bearing	\$186,390	\$199,114	\$215,422	\$265,156	\$351,147	\$438,076

Strong Liquidity and Capital Position

Strong Liquidity (at Sept 30, 2021)

- Loan growth funded through core deposits
- Total loans, net/ Total deposit ratio of 82.7%
- Total cash and cash equivalents of \$158 million
- Completed \$35 million Subordinated Note Offering in July 2021
- Completed all-cash purchase of Ossian Financial Services, Inc., in Q2 2021 and completed the \$103.7 million cash and stock acquisition of Perpetual Federal Savings Bank in Q4 2021
- Securities available for sale of \$426.7 million

(at September 30, 2021, \$ in millions)

Unused FHLB Borrowings	\$7
Available Unsecured Correspondence Lines	\$163
Access to Promontory One Way	\$220
Unpledged Securities	\$350
<i>Total Available Funding</i>	<i>\$740</i>

Compelling Capital Position

**Total Stockholders'
Equity**

**\$254.7
million**

**Tangible Book Value
Per Share**

\$17.33

Well Capitalized

**TCE / TA
Ratio**

10.81%

**Total Risk-Based
Capital**

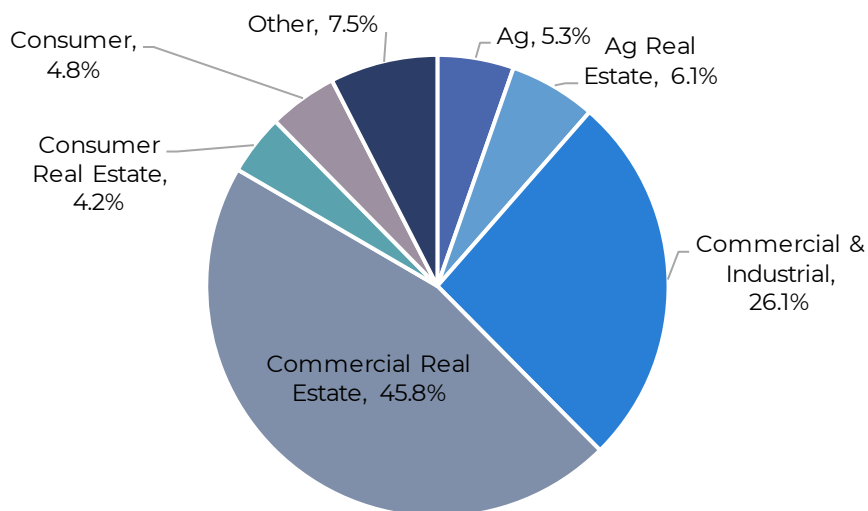
15.57%

Including the Company's recent \$35.0 million subordinated note offering

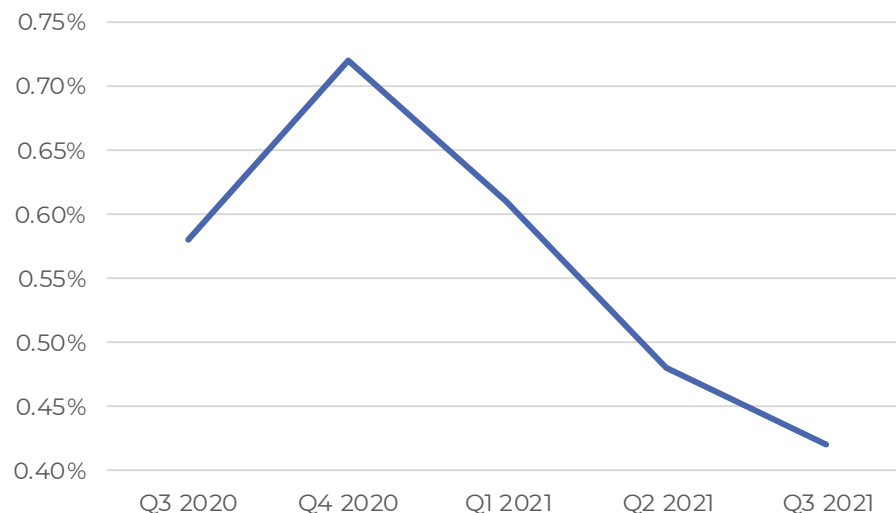
Strong Allowance Combined with Robust Asset Quality

Allowance for Loan Losses by Loan Type

ALLL to total loans, adjusted for PPP balances, was 1.21% at September 30, 2021



Nonperforming Loans to Total Loans



For the Year Ended December 31,

In \$000s unless otherwise stated

Loan Loss Reserve

	2016	2017	2018	2019	2020	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Loan Loss Reserves - Beginning of Period	6,057	6,784	6,868	6,775	7,228	9,933	11,883	13,672	14,425	15,087
Less: Charge-Offs	550	288	580	841	720	79	240	1,013	38	103
Add: Recoveries	156	150	163	156	183	42	34	66	59	55
Add: Provision Expense	1,121	222	324	1,138	6,981	1,987	1,995	1,700	641	659
Loan Loss Reserves - End of Period	6,784	6,868	6,775	7,228	13,672	11,883	13,672	14,425	15,087	15,698

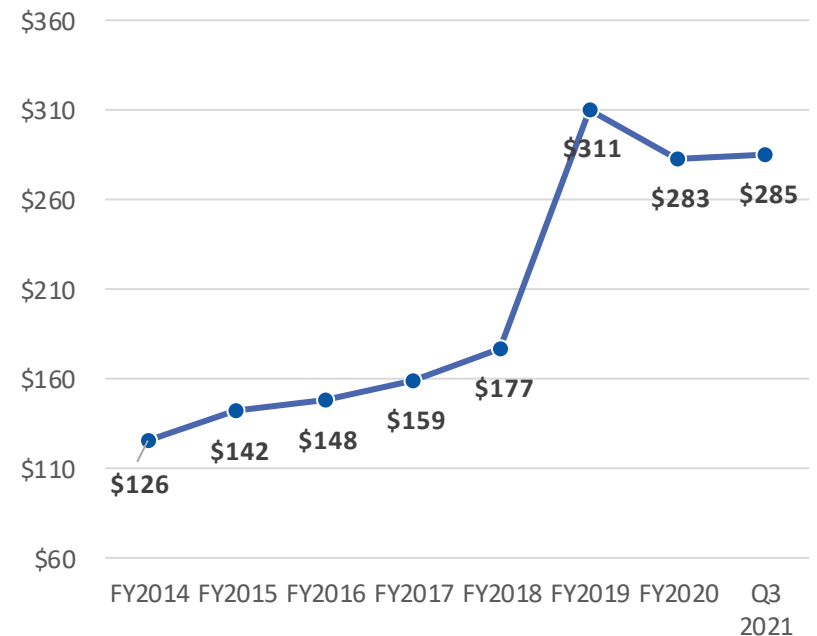
- PPP Lending
 - F&M originated \$36.2 million in PPP loans in 2020 and \$47.2 million in 2021
 - PPP Lending by F&M is estimated to have impacted more than 18,000 jobs in our communities
- Community Involvement
 - More than \$350,000 in community donations were made in 2020 by F&M to local organizations
 - F&M's annual golf outing has raised more than \$100,000 over the last four years, and more than \$32,000 in 2021 for Connecting Kids to Meals and Community Harvest Food Bank
- Supporting our Agricultural Customers
 - Each year, F&M provides lunches to more than 50 grain elevators in our communities during Fall Harvest season



- 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%
 - 2021 YTD Ag delinquency = 0.17%
- 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 less than 50 basis points of total loan portfolio
 - Typical Ag customer has diversified business model

Total Agriculture Loans (\$ in millions)

Includes both agricultural and agricultural real estate loans

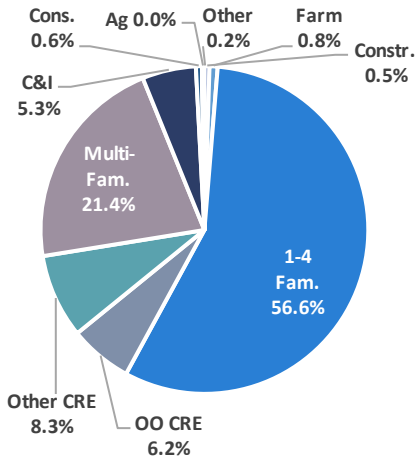


Appendix

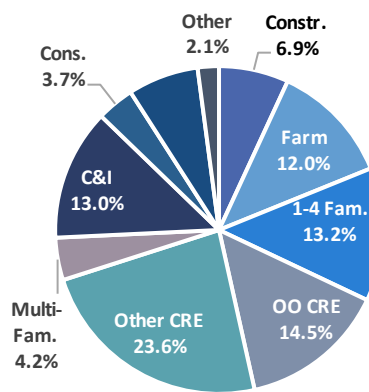
Pro Forma Loan Mix

(According to Call reports at September 30, 2021)

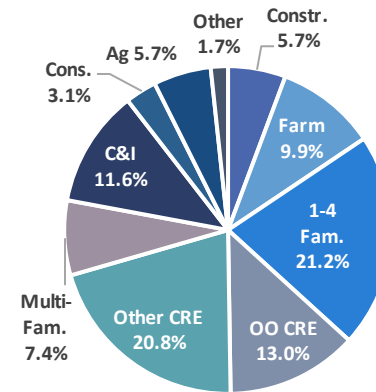
Perpetual Federal Savings Bank



Farmers & Merchants State Bank



Combined Banks



Perpetual Federal Savings Bank

	Balance (\$'000)
Construction	\$1,827
Farm Loans	\$2,769
1-4 Family	\$191,922
Owner-Occupied CRE	\$21,065
Other CRE Loans	\$28,147
Multi-Family	\$72,646
C&I	\$17,988
Consumer	\$1,975
Agricultural	\$2
Other Loans	\$531
Less: Unearned Income	\$0

Total Loans \$338,872

Farmers & Merchants State Bank

	Balance (\$'000)
Construction	\$102,744
Farm Loans	\$179,753
1-4 Family	\$197,750
Owner-Occupied CRE	\$217,224
Other CRE Loans	\$353,916
Multi-Family	\$63,028
C&I	\$194,767
Consumer	\$55,128
Agricultural	\$105,580
Other Loans	\$31,489
Less: Unearned Income	\$4,497

Total Loans \$1,499,297

Combined Pro Forma Mix

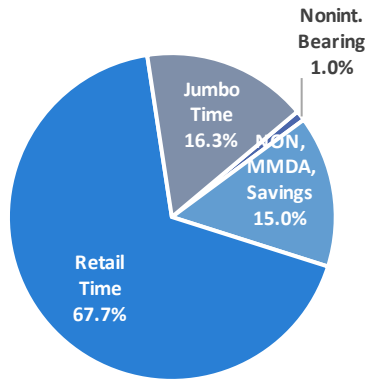
	Balance (\$'000)
Construction	\$104,571
Farm Loans	\$182,522
1-4 Family	\$389,672
Owner-Occupied CRE	\$238,289
Other CRE Loans	\$382,063
Multi-Family	\$135,674
C&I	\$212,755
Consumer	\$57,103
Agricultural	\$105,582
Other Loans	\$32,020
Less: Unearned Income	\$4,497

Total Loans \$1,838,169

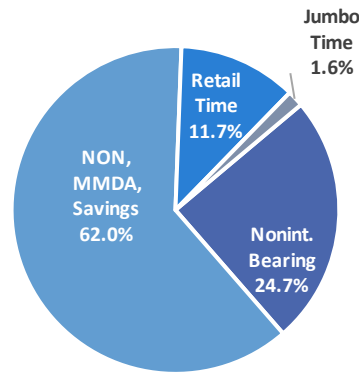
Pro Forma Deposit Mix

(According to Call reports at September 30, 2021)

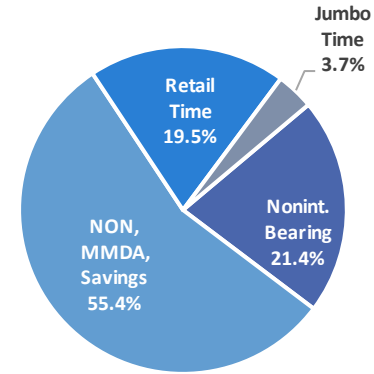
Perpetual Federal Savings Bank



Farmers & Merchants State Bank



Combined Banks



Perpetual Federal Savings Bank	Balance (\$000)	Farmers & Merchants State Bank	Balance (\$000)	Combined Pro Forma Mix	Balance (\$000)
Noninterest Bearing	\$3,131	Noninterest Bearing	\$468,225	Noninterest Bearing	\$471,356
NOW, MMDA, Savings	\$46,145	NOW, MMDA, Savings	\$1,175,769	NOW, MMDA, Savings	\$1,221,914
Retail Time Deposits	\$208,456	Retail Time Deposits	\$221,536	Retail Time Deposits	\$429,992
Jumbo Time Deposits	\$50,115	Jumbo Time Deposits	\$30,847	Jumbo Time Deposits	\$80,962
Total Deposits	\$307,847	Total Deposits	\$1,896,377	Total Deposits	\$2,204,224