# Farmers & Merchants Bancorp, Inc. Reports 2025 Second-Quarter and Year-to-Date Financial Results

July 28, 2025

ARCHBOLD, Ohio, July 28, 2025 (GLOBE NEWSWIRE) -- Farmers & Merchants Bancorp, Inc. (Nasdaq: FMAO) today reported financial results for the 2025 second quarter and year-to-date ended June 30, 2025.

**2025 Second Quarter Financial and Operating Highlights**
(at June 30, 2025 and on a year-over-year basis unless noted)

- 89 consecutive quarters of profitability
- Net income increased 35.7% to $7.7 million, or $0.56 per basic and diluted share
- Net interest margin expands for fourth consecutive quarter, up 51 basis points year-over-year to 3.22%
- Total loans increased by $67.2 million, or 2.6% to $2.63 billion
- Total assets increased by $23.1 million, or 0.7% to $3.35 billion
- Total deposits increased by $69.2 million, or 2.6% to $2.71 billion
- Efficiency ratio improved to 64.93%, compared to 69.03%
- Asset quality remains at historically strong levels with nonperforming loans of only $3.7 million
- Net charge-offs to average loans of 0.00%
- Tier 1 leverage ratio was 8.50%

Lars B. Eller, President and Chief Executive Officer, stated, “Net income for the 2025 second quarter was one of the most profitable quarters and our second-strongest second quarter in F&M’s 128-year history. This performance was driven by strong levels of core profitability, continued growth in our net interest margin, and the successful execution of our multi-year strategic plan. Over the past 12 months, we have enhanced our product offerings, simplified account openings, and continued our focus on attracting and developing proven talent across our regions. The positive momentum we are experiencing today is a direct result of these efforts, as well as our team’s commitment to helping people in our communities live their best lives.”

Mr. Eller continued, “Total revenue growth, which is defined by net interest income plus noninterest income, grew by 18.2% year-over-year in the 2025 second quarter, compared to 16.7% in the 2025 first quarter. This growth continues to significantly outpace the rise in noninterest expenses, contributing to a more favorable efficiency ratio and ongoing improvements in core profitability.”

“Supporting this revenue momentum is the ongoing expansion of our net interest margin, which increased 51 basis points year-over-year and 19 basis points from the 2025 first quarter. Net interest margin is benefiting from higher asset yields as existing loans reprice and new originations are booked at more favorable rates. At the same time, our growing customer relationships and a more stable interest rate environment have improved our cost of funds.”

**Income Statement**
Net income for the 2025 second quarter ended June 30, 2025, was $7.7 million, compared to $5.7 million for the same period last year. Net income per basic and diluted share for the 2025 second quarter was $0.56, compared to $0.42 for the same period last year. Net income for the 2025 first half ended June 30, 2025, was $14.7 million, compared to $11.0 million for the same period last year. Net income per basic and diluted share for the 2025 first half was $1.07, compared to $0.81 for the same period last year.

**Deposits**
At June 30, 2025, total deposits were $2.71 billion, an increase of 2.6% from June 30, 2024. The Company’s cost of interest-bearing liabilities was 2.83% for the quarter ended June 30, 2025, compared to 3.18% for the quarter ended June 30, 2024.

Mr. Eller commented, “We ended the second quarter with $2.71 billion in deposits, reflecting the success of our efforts to expand relationship-based banking across the Ohio, Indiana, and Michigan markets. Building on recent product enhancements, we are also investing in new tools and capabilities to expand our marketing efforts and better communicate the value of F&M’s offerings.”

**Loan Portfolio and Asset Quality**
“Loan demand remains strong, with total loans, net increasing sequentially by $45.0 million, or at a 7.0% annualized rate. We are managing growth with disciplined pricing and remain focused on maintaining strong asset quality. Net charge offs to average loans have been under 0.03% for 17 consecutive quarters, demonstrating the growing sophistication of our credit cultural and risk management capabilities,” continued Mr. Eller.

Total loans, net at June 30, 2025, increased 2.6%, or by $67.2 million to $2.63 billion, compared to $2.56 billion at June 30, 2024. The year-over-year increase was driven primarily by higher commercial real estate, commercial and industrial, and agricultural loans, partially offset primarily by lower agricultural real estate, consumer real estate, and consumer loans. Compared to the quarter ended December 31, 2024, total loans, net at June 30, 2025, increased by 2.5% or $65.0 million.

F&M continues to closely monitor its loan portfolio with a particular emphasis on higher risk sectors. Nonperforming loans were $3.7 million, or 0.14% of total loans at June 30, 2025, compared to $2.5 million, or 0.10% of total loans at June 30, 2024, and $3.1 million, or 0.12% at December 31, 2024.

F&M maintains a well-balanced, diverse and high performing CRE portfolio. CRE loans represented 51.2% of the Company’s total loan portfolio at June 30, 2025. F&M’s CRE portfolio included the following categories at June 30, 2025:

| CRE Category | Dollar Balance | Percent of CRE Portfolio(*) | Percent of Total Loan Portfolio(*) |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Industrial | $ 281,599 | 20.9% | 10.7% |
| Retail | 213,309 | 15.8% | 8.1% |
| Multi-family | 213,029 | 15.8% | 8.1% |
| Hotels | 172,026 | 12.8% | 6.5% |
| Office | 139,844 | 10.4% | 5.3% |
| Gas Stations | 77,527 | 5.8% | 3.0% |
| Food Service | 52,205 | 3.9% | 2.0% |
| Senior Living | 31,088 | 2.3% | 1.2% |
| Development | 28,565 | 2.1% | 1.1% |
| Auto Dealers | 26,744 | 2.0% | 1.0% |
| Other | 110,017 | 8.2% | 4.2% |
| Total CRE | $ 1,345,953 | 100.0% | 51.2% |

* Numbers have been rounded

At June 30, 2025, the Company's allowance for credit losses to nonperforming loans was 720.35%, compared to 1,016% at June 30, 2024, and up from 586.38% at March 31, 2025. The allowance to total loans was 1.08% at June 30, 2025, compared to 1.06% at June 30, 2024. Including accretable yield adjustments, associated with the Company's prior acquisitions, F&M's allowance for credit losses to total loans was 1.07% at June 30, 2025, compared to 1.10% at June 30, 2024.

Mr. Eller concluded, "We continue to believe F&M is in a strong position because of the platform we have built and the strategies we are pursuing to grow our business profitability. We expect continued loan growth, stable asset quality, and further expansion in our net interest margin to support increasing levels of profitability in the back half of 2025. As a result, we continue to believe 2025 will be another good year for F&M."

**Stockholders' Equity and Dividends**
Total stockholders' equity increased 8.7% to $350.8 million, or $25.56 per share at June 30, 2025, from $322.7 million, or $23.59 per share at June 30, 2024. The Company had a Tier 1 leverage ratio of 8.50% at June 30, 2025, compared to 8.02% at June 30, 2024.

Tangible stockholders' equity increased to $259.6 million at June 30, 2025, compared to $229.6 million at June 30, 2024. On a per share basis, tangible stockholders' equity at June 30, 2025, was $18.91 per share, compared to $16.79 per share at June 30, 2024.

For the six months ended June 30, 2025, the Company declared cash dividends of $0.44250 per share, representing a 0.6% increase over the same period last year. F&M is committed to returning capital to shareholders and has increased the annual cash dividend for 30 consecutive years. For the six months ended June 30, 2025, the dividend payout ratio was 40.90% compared to 53.89% for the same period last year.

**About Farmers & Merchants State Bank:**
F&M Bank is a local independent community bank that has been serving its communities since 1897. F&M Bank provides commercial banking, retail banking and other financial services. Our locations are in Butler, Champaign, Fulton, Defiance, Hancock, Henry, Lucas, Shelby, Williams, and Wood counties in Ohio. In Northeast Indiana, we have offices located in Adams, Allen, DeKalb, Jay, Steuben and Wells counties. The Michigan footprint includes Oakland County, and we have Loan Production Offices in Troy, Michigan; Muncie, Indiana; and Perrysburg and Bryan, Ohio.

**Safe Harbor Statement**
Farmers & Merchants Bancorp, Inc. ("F&M") wishes to take advantage of the Safe Harbor provisions included in the Private Securities Litigation Reform Act of 1995. Statements by F&M, including management's expectations and comments, may not be based on historical facts and are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21B of the Securities Exchange Act of 1934, as amended. Actual results could vary materially depending on risks and uncertainties inherent in general and local banking conditions, competitive factors specific to markets in which F&M and its subsidiaries operate, future interest rate levels, legislative and regulatory decisions, capital market conditions, or the effects of the COVID-19 pandemic, and its impacts on our credit quality and business operations, as well as its impact on general economic and financial market conditions. F&M assumes no responsibility to update this information. For more details, please refer to F&M's SEC filing, including its most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q. Such filings can be viewed at the SEC's website, www.sec.gov or through F&M's website www.fm.bank.

FARMERS & MERCHANTS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME & COMPREHENSIVE INCOME
(Unaudited) (in thousands of dollars, except per share data)

| | Three Months Ended | | | | | Six Months Ended | |
|---|---|---|---|---|---|---|---|
| | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| **Interest Income** | | | | | | | |
| Loans, including fees | $ 39,530 | $ 37,072 | $ 36,663 | $ 36,873 | $ 36,593 | $ 76,602 | $ 71,793 |
| Debt securities: | | | | | | | |
| U.S. Treasury and government agencies | 2,231 | 2,097 | 1,882 | 1,467 | 1,148 | 4,328 | 2,193 |
| Municipalities | 369 | 382 | 384 | 387 | 389 | 751 | 783 |
| Dividends | 311 | 338 | 367 | 334 | 327 | 649 | 660 |
| Federal funds sold | - | - | 24 | 7 | 7 | - | 14 |
| Other | 1,051 | 1,113 | 2,531 | 2,833 | 2,702 | 2,164 | 4,377 |
| Total interest income | 43,492 | 41,002 | 41,851 | 41,901 | 41,166 | 84,494 | 79,820 |
| **Interest Expense** | | | | | | | |
| Deposits | 14,813 | 13,988 | 15,749 | 16,947 | 16,488 | 28,801 | 31,767 |
| Federal funds purchased and securities sold under agreements to repurchase | 272 | 271 | 274 | 277 | 276 | 543 | 560 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Borrowed funds | 2,411 | 2,550 | 2,713 | 2,804 | 2,742 | 4,961 | 5,431 |
| Subordinated notes | 285 | 284 | 285 | 284 | 285 | 569 | 569 |
| Total interest expense | 17,781 | 17,093 | 19,021 | 20,312 | 19,791 | 34,874 | 38,327 |
| **Net Interest Income - Before Provision for Credit Losses** | 25,711 | 23,909 | 22,830 | 21,589 | 21,375 | 49,620 | 41,493 |
| **Provision for Credit Losses - Loans** | 661 | 811 | 346 | 282 | 605 | 1,472 | 316 |
| **Provision for (Recovery of) Credit Losses - Off Balance Sheet Exposures** | 27 | (260) | (120) | (267) | (18) | (233) | (284) |
| **Net Interest Income After Provision for Credit Losses** | 25,023 | 23,358 | 22,604 | 21,574 | 20,788 | 48,381 | 41,461 |
| **Noninterest Income** | | | | | | | |
| Customer service fees | 330 | 381 | 237 | 300 | 189 | 711 | 787 |
| Other service charges and fees | 1,206 | 1,124 | 1,176 | 1,155 | 1,085 | 2,330 | 2,142 |
| Interchange income | 1,259 | 1,421 | 1,322 | 1,315 | 1,330 | 2,680 | 2,759 |
| Loan servicing income | 629 | 762 | 771 | 710 | 513 | 1,391 | 1,052 |
| Net gain on sale of loans | 257 | 284 | 223 | 215 | 314 | 541 | 421 |
| Increase in cash surrender value of bank owned life insurance | 239 | 244 | 248 | 265 | 236 | 483 | 452 |
| Net gain (loss) on sale of other assets owned | 15 | (54) | 22 | - | 49 | (39) | 49 |
| Total noninterest income | 3,935 | 4,162 | 3,999 | 3,960 | 3,716 | 8,097 | 7,662 |
| **Noninterest Expense** | | | | | | | |
| Salaries and wages | 7,567 | 7,878 | 7,020 | 7,713 | 7,589 | 15,445 | 15,435 |
| Employee benefits | 2,265 | 2,404 | 2,148 | 2,112 | 2,112 | 4,669 | 4,283 |
| Net occupancy expense | 1,075 | 1,199 | 1,072 | 1,054 | 999 | 2,274 | 2,026 |
| Furniture and equipment | 1,414 | 1,278 | 1,032 | 1,472 | 1,407 | 2,692 | 2,760 |
| Data processing | 1,057 | 557 | 160 | 339 | 448 | 1,614 | 948 |
| Franchise taxes | 397 | 397 | 312 | 410 | 265 | 794 | 820 |
| ATM expense | 761 | 491 | 328 | 472 | 397 | 1,252 | 870 |
| Advertising | 356 | 503 | 498 | 597 | 519 | 859 | 1,049 |
| FDIC assessment | 448 | 465 | 505 | 516 | 507 | 913 | 1,087 |
| Servicing rights amortization - net | 234 | 127 | 244 | 219 | 187 | 361 | 355 |
| Loan expense | 328 | 228 | 236 | 244 | 251 | 556 | 480 |
| Consulting fees | 494 | 745 | 242 | 251 | 198 | 1,239 | 384 |
| Professional fees | 502 | 559 | 368 | 453 | 527 | 1,061 | 972 |
| Intangible asset amortization | 444 | 445 | 446 | 445 | 444 | 889 | 889 |
| Other general and administrative | 1,918 | 1,484 | 1,465 | 1,128 | 1,495 | 3,402 | 2,828 |
| Total noninterest expense | 19,260 | 18,760 | 16,076 | 17,425 | 17,345 | 38,020 | 35,186 |
| **Income Before Income Taxes** | 9,698 | 8,760 | 10,527 | 8,109 | 7,159 | 18,458 | 13,937 |
| **Income Taxes** | 1,988 | 1,808 | 2,146 | 1,593 | 1,477 | 3,796 | 2,896 |
| **Net Income** | 7,710 | 6,952 | 8,381 | 6,516 | 5,682 | 14,662 | 11,041 |
| **Other Comprehensive Income (Loss) (Net of Tax):** | | | | | | | |
| Net unrealized gain (loss) on available-for-sale securities | 1,149 | 6,464 | (7,403) | 11,664 | 2,531 | 7,613 | 536 |
| Reclassification adjustment for realized (gain) loss on sale of available-for-sale securities | - | - | - | - | - | - | - |
| Net unrealized gain (loss) on available-for-sale securities | 1,149 | 6,464 | (7,403) | 11,664 | 2,531 | 7,613 | 536 |
| Tax expense (benefit) | 241 | 1,358 | (1,554) | 2,449 | 531 | 1,599 | 113 |
| Other comprehensive income (loss) | 908 | 5,106 | (5,849) | 9,215 | 2,000 | 6,014 | 423 |
| **Comprehensive Income** | $ 8,618 | $ 12,058 | $ 2,532 | $ 15,731 | $ 7,682 | $ 20,676 | $ 11,464 |
| **Basic Earnings Per Share** | $ 0.56 | $ 0.51 | $ 0.61 | $ 0.48 | $ 0.42 | $ 1.07 | $ 0.81 |
| **Diluted Earnings Per Share** | $ 0.56 | $ 0.51 | $ 0.61 | $ 0.48 | $ 0.42 | $ 1.07 | $ 0.81 |
| **Dividends Declared** | $ 0.22125 | $ 0.22125 | $ 0.22125 | $ 0.22125 | $ 0.22000 | $ 0.44250 | $ 0.44000 |

FARMERS & MERCHANTS BANCORP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (in thousands of dollars, except share data)

| | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 |
|---|---|---|---|---|---|
| | (Unaudited) | (Unaudited) | | (Unaudited) | (Unaudited) |
| **Assets** | | | | | |
| Cash and due from banks | $ 87,596 | $ 172,612 | $ 174,855 | $ 244,572 | $ 191,785 |
| Federal funds sold | 635 | 425 | 1,496 | 932 | 1,283 |
| Total cash and cash equivalents | 88,231 | 173,037 | 176,351 | 245,504 | 193,068 |
| Interest-bearing time deposits | 1,992 | 1,992 | 2,482 | 2,727 | 3,221 |
| Securities - available-for-sale | 431,102 | 438,568 | 426,556 | 404,881 | 365,209 |
| Other securities, at cost | 13,994 | 14,062 | 14,400 | 15,028 | 14,721 |
| Loans held for sale | 6,359 | 2,331 | 2,996 | 1,706 | 1,628 |
| Loans, net of allowance for credit losses | 2,599,917 | 2,555,552 | 2,536,043 | 2,512,852 | 2,534,468 |
| Premises and equipment | 32,885 | 33,163 | 33,828 | 33,779 | 34,507 |
| Construction in progress | - | - | - | 35 | 38 |
| Goodwill | 86,358 | 86,358 | 86,358 | 86,358 | 86,358 |
| Loan servicing rights | 5,810 | 5,805 | 5,656 | 5,644 | 5,504 |
| Bank owned life insurance | 35,355 | 35,116 | 34,872 | 34,624 | 34,359 |
| Other assets | 43,760 | 42,802 | 45,181 | 46,047 | 49,552 |
| **Total Assets** | $ 3,345,763 | $ 3,388,786 | $ 3,364,723 | $ 3,389,185 | $ 3,322,633 |
| **Liabilities and Stockholders' Equity** | | | | | |
| **Liabilities** | | | | | |
| Deposits | | | | | |
| Noninterest-bearing | $ 497,804 | $ 502,318 | $ 516,904 | $ 481,444 | $ 479,069 |
| Interest-bearing | | | | | |
| NOW accounts | 899,602 | 874,881 | 850,462 | 865,617 | 821,145 |
| Savings | 691,468 | 696,635 | 671,818 | 661,565 | 673,284 |
| Time | 621,455 | 626,450 | 647,581 | 676,187 | 667,592 |
| Total deposits | 2,710,329 | 2,700,284 | 2,686,765 | 2,684,813 | 2,641,090 |
| Federal funds purchased and securities sold under agreements to repurchase | 27,562 | 27,258 | 27,218 | 27,292 | 27,218 |
| Federal Home Loan Bank (FHLB) advances | 188,445 | 245,474 | 246,056 | 263,081 | 266,102 |
| Subordinated notes, net of unamortized issuance costs | 34,875 | 34,846 | 34,818 | 34,789 | 34,759 |
| Dividend payable | 3,000 | 2,997 | 2,996 | 2,998 | 2,975 |
| Accrued expenses and other liabilities | 30,760 | 33,326 | 31,659 | 40,832 | 27,825 |
| Total liabilities | 2,994,971 | 3,044,185 | 3,029,512 | 3,053,805 | 2,999,969 |
| **Commitments and Contingencies** | | | | | |
| **Stockholders' Equity** | | | | | |
| Common stock - No par value authorized 40,000,000 shares at 6/30/25 and 20,000,000 shares at 12/31/24; issued 14,564,425 shares 6/30/25 and 12/31/24; outstanding 13,725,998 shares 6/30/25 and 13,699,536 shares 12/31/24 | 135,805 | 135,407 | 135,565 | 135,193 | 135,829 |
| Treasury stock - 838,427 shares 6/30/25 and 864,889 shares 12/31/24 | (10,674) | (10,768) | (10,985) | (10,904) | (11,006) |
| Retained earnings | 244,870 | 240,079 | 235,854 | 230,465 | 226,430 |
| Accumulated other comprehensive loss | (19,209) | (20,117) | (25,223) | (19,374) | (28,589) |
| Total stockholders' equity | 350,792 | 344,601 | 335,211 | 335,380 | 322,664 |
| **Total Liabilities and Stockholders' Equity** | $ 3,345,763 | $ 3,388,786 | $ 3,364,723 | $ 3,389,185 | $ 3,322,633 |

FARMERS & MERCHANTS BANCORP, INC. AND SUBSIDIARIES
SELECT FINANCIAL DATA

| | For the Three Months Ended | | | | | For the Six Months Ended | |
|---|---|---|---|---|---|---|---|
| **Selected financial data** | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| Return on average assets | 0.92% | 0.85% | 0.99% | 0.78% | 0.69% | 0.88% | 0.67% |
| Return on average equity | 8.88% | 8.31% | 10.00% | 7.93% | 7.13% | 8.55% | 6.94% |
| Yield on earning assets | 5.45% | 5.19% | 5.20% | 5.27% | 5.22% | 5.32% | 5.11% |
| Cost of interest bearing liabilities | 2.83% | 2.76% | 3.01% | 3.21% | 3.18% | 2.84% | 3.12% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Net interest spread | 2.62% | 2.43% | 2.19% | 2.06% | 2.04% | 2.48% | 1.99% |
| Net interest margin | 3.22% | 3.03% | 2.84% | 2.71% | 2.71% | 3.13% | 2.66% |
| Efficiency ratio | 64.93% | 66.79% | 59.82% | 67.98% | 69.03% | 65.84% | 71.50% |
| Dividend payout ratio | 38.91% | 43.10% | 35.75% | 45.99% | 52.35% | 40.90% | 53.89% |
| Tangible book value per share | $ 18.91 | $ 18.44 | $ 17.74 | $ 17.72 | $ 16.79 | | |
| Tier 1 leverage ratio | 8.50% | 8.44% | 8.12% | 8.04% | 8.02% | | |
| Average shares outstanding | 13,720,339 | 13,706,003 | 13,699,869 | 13,687,119 | 13,681,501 | 13,713,211 | 13,676,333 |

| **Loans** | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 |
|---|---|---|---|---|---|
| *(Dollar amounts in thousands)* | | | | | |
| Commercial real estate | $ 1,345,953 | $ 1,325,698 | $ 1,310,811 | $ 1,301,160 | $ 1,303,598 |
| Agricultural real estate | 221,004 | 215,898 | 216,401 | 220,328 | 222,558 |
| Consumer real estate | 523,781 | 523,383 | 520,114 | 524,055 | 525,902 |
| Commercial and industrial | 293,826 | 278,254 | 275,152 | 260,732 | 268,426 |
| Agricultural | 157,870 | 153,607 | 152,080 | 137,252 | 142,909 |
| Consumer | 59,348 | 60,115 | 63,009 | 67,394 | 70,918 |
| Other | 24,653 | 24,985 | 24,978 | 25,916 | 26,449 |
| Less: Net deferred loan fees, costs and other [1] | 459 | (36) | (676) | 1,499 | (1,022) |
| Total loans, net | $ 2,626,894 | $ 2,581,904 | $ 2,561,869 | $ 2,538,336 | $ 2,559,738 |

| **Asset quality data** | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 |
|---|---|---|---|---|---|
| *(Dollar amounts in thousands)* | | | | | |
| Nonaccrual loans | $ 3,745 | $ 4,494 | $ 3,124 | $ 2,898 | $ 2,487 |
| 90 day past due and accruing | $ - | $ - | $ - | $ - | $ - |
| Nonperforming loans | $ 3,745 | $ 4,494 | $ 3,124 | $ 2,898 | $ 2,487 |
| Other real estate owned | $ - | $ - | $ - | $ - | $ - |
| Nonperforming assets | $ 3,745 | $ 4,494 | $ 3,124 | $ 2,898 | $ 2,487 |
| | | | | | |
| Allowance for credit losses - loans | $ 26,977 | $ 26,352 | $ 25,826 | $ 25,484 | $ 25,270 |
| Allowance for credit losses - off balance sheet credit exposures | 1,308 | 1,281 | 1,541 | 1,661 | 1,928 |
| Total allowance for credit losses | $ 28,285 | $ 27,633 | $ 27,367 | $ 27,145 | $ 27,198 |
| Total allowance for credit losses/total loans | 1.08% | 1.07% | 1.07% | 1.07% | 1.06% |
| Adjusted credit losses with accretable yield/total loans | 1.07% | 1.08% | 1.08% | 1.10% | 1.10% |
| Net charge-offs: | | | | | |
| Quarter-to-date | $ 36 | $ 285 | $ 4 | $ 68 | $ 15 |
| Year-to-date | $ 321 | $ 285 | $ 142 | $ 138 | $ 70 |
| Net charge-offs to average loans | | | | | |
| Quarter-to-date | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% |
| Year-to-date | 0.01% | 0.01% | 0.01% | 0.01% | 0.00% |
| Nonperforming loans/total loans | 0.14% | 0.17% | 0.12% | 0.11% | 0.10% |
| Allowance for credit losses/nonperforming loans | 720.35% | 586.38% | 826.70% | 879.37% | 1016.08% |
| NPA coverage ratio | 720.35% | 586.38% | 826.70% | 879.37% | 1016.08% |

[1] Includes carrying value adjustments of $1.9 million as of June 30, 2025, $1.7 million as of March 31, 2025, $1.1 million as of December 31, 2024, $3.0 million as of September 30, 2024, and $612 thousand as of June 30, 2024 related to interest rate swaps associated with fixed rate loans

FARMERS & MERCHANTS BANCORP, INC. AND SUBSIDIARIES
AVERAGE BALANCE SHEETS AND RELATED YIELDS AND RATES
(in thousands of dollars, except percentages)

| **For the Three Months Ended June 30, 2025** | **For the Three Months Ended June 30, 2024** |
|---|---|

| Interest Earning Assets: | Average Balance | Interest/Dividends | Annualized Yield/Rate | Average Balance | Interest/Dividends | Annualized Yield/Rate |
|---|---|---|---|---|---|---|
| Loans | $ 2,617,278 | $ 39,530 | 6.04% | $ 2,556,417 | $ 36,593 | 5.73% |
| Taxable investment securities | 459,298 | 2,837 | 2.47% | 391,439 | 1,782 | 1.82% |
| Tax-exempt investment securities | 16,682 | 74 | 2.25% | 20,907 | 82 | 1.99% |
| Fed funds sold & other | 99,964 | 1,051 | 4.21% | 187,682 | 2,709 | 5.77% |
| Total Interest Earning Assets | 3,193,222 | $ 43,492 | 5.45% | 3,156,445 | $ 41,166 | 5.22% |
| Nonearning Assets | 175,969 | | | 156,239 | | |
| Total Assets | $ 3,369,191 | | | $ 3,312,684 | | |
| Interest Bearing Liabilities: | | | | | | |
| NOW accounts and savings deposits | $ 1,599,067 | $ 9,479 | 2.37% | $ 1,492,831 | $ 10,193 | 2.73% |
| Time deposits | 626,036 | 5,334 | 3.41% | 668,583 | 6,295 | 3.77% |
| Other borrowed money | 228,708 | 2,411 | 4.22% | 265,229 | 2,742 | 4.14% |
| Fed funds purchased & securities sold under agreement to repurchase | 27,301 | 272 | 3.99% | 27,721 | 276 | 3.98% |
| Subordinated notes | 34,856 | 285 | 3.27% | 34,740 | 285 | 3.28% |
| Total Interest Bearing Liabilities | $ 2,515,968 | $ 17,781 | 2.83% | $ 2,489,104 | $ 19,791 | 3.18% |
| Noninterest Bearing Liabilities | 505,129 | | | 504,821 | | |
| Stockholders' Equity | $ 348,094 | | | $ 318,759 | | |
| Net Interest Income and Interest Rate Spread | | $ 25,711 | 2.62% | | $ 21,375 | 2.04% |
| Net Interest Margin | | | 3.22% | | | 2.71% |

Yields on Tax exempt securities and the portion of the tax-exempt IDB loans included in loans have been tax adjusted based on a 21% tax rate in the charts

| | For the Six Months Ended June 30, 2025 | | | For the Six Months Ended June 30, 2024 | | |
|---|---|---|---|---|---|---|
| Interest Earning Assets: | Average Balance | Interest/Dividends | Annualized Yield/Rate | Average Balance | Interest/Dividends | Annualized Yield/Rate |
| Loans | $ 2,598,011 | $ 76,602 | 5.90% | $ 2,566,765 | $ 71,793 | 5.60% |
| Taxable investment securities | 458,903 | 5,576 | 2.43% | 388,225 | 3,468 | 1.79% |
| Tax-exempt investment securities | 17,501 | 152 | 2.20% | 21,196 | 168 | 2.01% |
| Fed funds sold & other | 102,851 | 2,164 | 4.21% | 149,035 | 4,391 | 5.89% |
| Total Interest Earning Assets | 3,177,266 | $ 84,494 | 5.32% | 3,125,221 | $ 79,820 | 5.11% |
| Nonearning Assets | 171,324 | | | 157,510 | | |
| Total Assets | $ 3,348,590 | | | $ 3,282,731 | | |
| Interest Bearing Liabilities: | | | | | | |
| NOW accounts and savings deposits | $ 1,524,965 | $ 18,043 | 2.37% | $ 1,467,669 | $ 19,600 | 2.67% |
| Time deposits | 626,767 | 10,758 | 3.43% | 659,581 | 12,167 | 3.69% |
| Other borrowed money | 237,185 | 4,961 | 4.18% | 264,217 | 5,431 | 4.11% |
| Fed funds purchased & securities sold under agreement to repurchase | 27,391 | 543 | 3.96% | 28,089 | 560 | 3.99% |
| Subordinated notes | 34,842 | 569 | 3.27% | 34,726 | 569 | 3.28% |
| Total Interest Bearing Liabilities | $ 2,451,150 | $ 34,874 | 2.84% | $ 2,454,282 | $ 38,327 | 3.12% |
| Noninterest Bearing Liabilities | 553,686 | | | 510,453 | | |
| Stockholders' Equity | $ 343,754 | | | $ 317,996 | | |
| Net Interest Income and Interest Rate Spread | | $ 49,620 | 2.48% | | $ 41,493 | 1.99% |
| Net Interest Margin | | | 3.13% | | | 2.66% |

Yields on Tax exempt securities and the portion of the tax-exempt IDB loans included in loans have been tax adjusted based on a 21% tax rate in the charts

FARMERS & MERCHANTS BANCORP, INC. AND SUBSIDIARIES
AVERAGE BALANCE SHEETS AND RELATED YIELDS AND RATES
(in thousands of dollars, except percentages)

| | For the Three Months Ended June 30, 2025 | | | | | | For the Three Months Ended June 30, 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As Reported | | Excluding Acc/Amort | | Difference | | As Reported | | Excluding Acc/Amort | | Difference | |
| | $ | Yield | $ | Yield | $ | Yield | $ | Yield | $ | Yield | $ | Yield |
| Interest Earning Assets: | | | | | | | | | | | | |
| Loans | $39,530 | 6.04% | $38,928 | 5.95% | $ 602 | 0.09% | $36,593 | 5.73% | $35,914 | 5.62% | $ 679 | 0.11% |
| Taxable investment securities | 2,837 | 2.47% | 2,837 | 2.47% | - | 0.00% | 1,782 | 1.82% | 1,782 | 1.82% | - | 0.00% |
| Tax-exempt investment securities | 74 | 2.25% | 74 | 2.25% | - | 0.00% | 82 | 1.99% | 82 | 1.99% | - | 0.00% |
| Fed funds sold & other | 1,051 | 4.21% | 1,051 | 4.21% | - | 0.00% | 2,709 | 5.77% | 2,709 | 5.77% | - | 0.00% |
| **Total Interest Earning Assets** | 43,492 | 5.45% | 42,890 | 5.38% | 602 | 0.07% | 41,166 | 5.22% | 40,487 | 5.13% | 679 | 0.09% |
| Interest Bearing Liabilities: | | | | | | | | | | | | |
| NOW accounts and savings deposits | $ 9,479 | 2.37% | $ 9,479 | 2.37% | $ - | 0.00% | $10,193 | 2.73% | $10,193 | 2.73% | $ - | 0.00% |
| Time deposits | 5,334 | 3.41% | 5,334 | 3.41% | - | 0.00% | 6,295 | 3.77% | 6,295 | 3.77% | - | 0.00% |
| Other borrowed money | 2,411 | 4.22% | 2,407 | 4.21% | 4 | 0.01% | 2,742 | 4.14% | 2,747 | 4.14% | (5) | 0.00% |
| Federal funds purchased and securities sold under agreement to repurchase | 272 | 3.99% | 272 | 3.99% | - | 0.00% | 276 | 3.98% | 276 | 3.98% | - | 0.00% |
| Subordinated notes | 285 | 3.27% | 285 | 3.27% | - | 0.00% | 285 | 3.28% | 285 | 3.28% | - | 0.00% |
| **Total Interest Bearing Liabilities** | 17,781 | 2.83% | 17,777 | 2.83% | 4 | 0.00% | 19,791 | 3.18% | 19,796 | 3.18% | (5) | 0.00% |
| Interest/Dividend income/yield | 43,492 | 5.45% | 42,890 | 5.38% | 602 | 0.07% | 41,166 | 5.22% | 40,487 | 5.13% | 679 | 0.09% |
| Interest Expense / yield | 17,781 | 2.83% | 17,777 | 2.83% | 4 | 0.00% | 19,791 | 3.18% | 19,796 | 3.18% | (5) | 0.00% |
| Net Interest Spread | 25,711 | 2.62% | 25,113 | 2.55% | 598 | 0.07% | 21,375 | 2.04% | 20,691 | 1.95% | 684 | 0.09% |
| Net Interest Margin | | 3.22% | | 3.15% | | 0.07% | | 2.71% | | 2.62% | | 0.09% |

| | For the Six Months Ended June 30, 2025 | | | | | | For the Six Months Ended June 30, 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As Reported | | Excluding Acc/Amort | | Difference | | As Reported | | Excluding Acc/Amort | | Difference | |
| | $ | Yield | $ | Yield | $ | Yield | $ | Yield | $ | Yield | $ | Yield |
| Interest Earning Assets: | | | | | | | | | | | | |
| Loans | $76,602 | 5.90% | $75,396 | 5.80% | $1,206 | 0.10% | $71,793 | 5.60% | $70,439 | 5.49% | $1,354 | 0.11% |
| Taxable investment securities | 5,576 | 2.43% | 5,576 | 2.43% | - | 0.00% | 3,468 | 1.79% | 3,468 | 1.79% | - | 0.00% |
| Tax-exempt investment securities | 152 | 2.20% | 152 | 2.20% | - | 0.00% | 168 | 2.01% | 168 | 2.01% | - | 0.00% |
| Fed funds sold & other | 2,164 | 4.21% | 2,164 | 4.21% | - | 0.00% | 4,391 | 5.89% | 4,391 | 5.89% | - | 0.00% |
| **Total Interest Earning Assets** | 84,494 | 5.32% | 83,288 | 5.25% | 1,206 | 0.07% | 79,820 | 5.11% | 78,466 | 5.03% | 1,354 | 0.08% |
| Interest Bearing Liabilities: | | | | | | | | | | | | |
| NOW accounts and savings deposits | $18,043 | 2.37% | $18,043 | 2.37% | $ - | 0.00% | $19,600 | 2.67% | $19,600 | 2.67% | $ - | 0.00% |
| Time deposits | 10,758 | 3.43% | 10,758 | 3.43% | - | 0.00% | 12,167 | 3.69% | 12,167 | 3.69% | - | 0.00% |
| Other borrowed money | 4,961 | 4.18% | 4,954 | 4.18% | 7 | 0.00% | 5,431 | 4.11% | 5,454 | 4.13% | (23) | -0.02% |
| Federal funds purchased and securities sold under agreement to repurchase | 543 | 3.96% | 543 | 3.96% | - | 0.00% | 560 | 3.99% | 560 | 3.99% | - | 0.00% |
| Subordinated notes | 569 | 3.27% | 569 | 3.27% | - | 0.00% | 569 | 3.28% | 569 | 3.28% | - | 0.00% |
| **Total Interest Bearing Liabilities** | 34,874 | 2.84% | 34,867 | 2.85% | 7 | -0.01% | 38,327 | 3.12% | 38,350 | 3.13% | (23) | -0.01% |
| Interest/Dividend income/yield | 84,494 | 5.32% | 83,288 | 5.25% | 1,206 | 0.07% | 79,820 | 5.11% | 78,466 | 5.03% | 1,354 | 0.08% |
| Interest Expense / yield | 34,874 | 2.84% | 34,867 | 2.85% | 7 | -0.01% | 38,327 | 3.12% | 38,350 | 3.13% | (23) | -0.01% |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Interest Spread | 49,620 | 2.48% | 48,421 | 2.40% | 1,199 | 0.08% | 41,493 | 1.99% | 40,116 | 1.90% | 1,377 | 0.09% |
| Net Interest Margin | | 3.13% | | 3.05% | | 0.08% | | 2.66% | | 2.57% | | 0.09% |

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