

**COMMUNITY REINVESTMENT ACT STATEMENT/POLICY
FARMERS AND MERCHANTS BANK
LaOTTO, INDIANA**

Farmers and Merchants Bank, LaOtto, Indiana, was formed in October of 1914 for the primary purpose of accepting deposits, clearing checks, and extending loans in our rural area of Northern Indiana. The funds of our depositors and shareholders are used to meet the various credit needs and assist in the economic development of this community, with due regard to safety and sound banking practices. Farmers and Merchants Bank recognizes that the credit needs of the community, with its social and economic development, can be met both directly and indirectly. Citizens benefit by direct loans for housing and personal goods as well as by loans to businesses, local industry and governmental units, which in turn provide the employment through which citizens can improve their economic outlook and maintain a satisfactory standard of living. Farmers and Merchants Bank will be aware of the importance of consumer and commercial lending to the overall social and economic welfare of the citizens of the community.

Farmers and Merchants Bank has determined that the area covered by the attached map comprises our basic community, mostly a rural area and covering parts of four different counties.

Farmers and Merchants Bank will not discriminate against credit applicants on the basis of race, color, religion, national origin, age, sex, marital status, physical condition, disability, because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Protection Act.

The Directors, Officers, and Employees take the necessary interest in the community, so that we are familiar with their needs for services and the economic development of the area in general. By endeavoring to keep the community needs in mind and guided by sound banking principles, Farmers and Merchants Bank is prepared to offer the following credit and deposit services on a regular basis to its community upon such terms as may be acceptable to all parties involved:

Credit Services

- Consumer Loans
 - Auto Loans
 - Home improvement Loans
 - Personal Loans
 - Credit Cards (serviced by TCM Bank)

- Real Estate Mortgages
 - Conventional fixed rate mortgages
 - Mortgages for multifamily dwellings
 - Variable rate home equity line of credit

- Commercial Loans
 - Residential construction loans and development loans
 - Farm/Agricultural loans
 - Commercial loans for local businesses
 - Working capital loans
 - Equipment loans
 - Revolving lines of credit

Farmers and Merchants Bank traditionally has been a consumer-oriented bank that has made loans to small and medium sized businesses. We will continue to take applications from all areas of our community without discrimination as to religion, race, color, nationality, age, marital status, sex, or disability.

Farmers and Merchants Bank has a wide array of competitively priced checking, savings, time, money market accounts, and non-deposit products. The following is a list of such services:

Deposit Services

- Low-cost checking
- Interest-bearing checking
- Savings and time deposits
- Safe deposit boxes
- Individual Retirement Accounts (IRAs)

The Management and Directors are vitally concerned as to credit requirements and services in the local communities of the bank's location. The officers have established a firm commitment to inquire as to the credit needs by calling on the businesses and associations that are concerned with the economic and business development of the towns of LaOtto, Huntertown, Churubusco, and Kendallville.

Farmers & Merchants Bank has been committed to and will continue to assist the non-profit and public organizations that are very active in the development of improvements within their community. Our officers frequently meet to discuss various projects and activities which add to the improvements in an attempt to increase the desirability of those communities.

With our expanding to the northern part of Allen County, Whitley County, and DeKalb County, the Bank will continue to support the local needs of that area.

Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided by them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Manager, Division of Compliance and Consumer Affairs, FDIC, 500 West Monroe, Suite 3300, Chicago, IL 60661. You may send written comments about our performance in helping to meet community credit needs to Tim Brubaker, CRA Officer, Farmers and Merchants Bank, 6464 Merchants Dr., P. O. Box 158, LaOtto, IN 46763 and to the FDIC Regional Manager at the address above. You may also submit comments electronically through the FDIC's Website at www.fdic.gov/regulations/cra. Your comments, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Manager. You may also request from the FDIC Regional Manager an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of FM FINCORP, a bank holding company. You may request from the Vice President, Federal Reserve Bank of Chicago, Seventh Federal Reserve District, 230 South LaSalle Street, P. O. Box 834, Chicago, IL 60690, an announcement of applications covered by the CRA filed by bank holding companies.

Public File

The bank will maintain a CRA public file in a readily accessible location within the bank. The public file will be made available at all times to the general public. The public file will contain the following information:

- All written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the bank's performance in helping to meet community credit needs, and any response to the comments by the bank, if neither the comments nor the responses contain statements that reflect adversely on the good name or reputation of any persons other than the bank or publication of which would violate a specific provision of law. All consumer complaints and responses will be handled in accordance with the bank's Consumer Complaint Policy.
- A copy of the public section of the bank's most recent CRA Performance Evaluation prepared by the FDIC. The bank shall place this copy in the public file within 30 business days after its receipt from the FDIC.
- CRA statements in effect during the preceding two years.
- A list of the bank's branches, their addresses, and geographies.
- A list of branches opened or closed by the bank during the current year and each of the prior two calendar years, their street addresses, and geographies.
- A list of services, hours of operations, loan and deposit products, and transaction fees.
- A map of the bank's assessment area showing the boundaries of the area and identifying the geographies contained within the area, either on the map or in a separate list.
- Copies of last two years Home Mortgage Disclosure Act (HMDA) Disclosure Statements provided by the Federal Financial Institutions Examination Council.
- The bank's loan-to-deposit ratio for each quarter of the prior calendar year.

Outreach, Marketing, and Community Service

Farmers and Merchants Bank will continue to develop a focused advertising program to better inform all areas of our community of our services. This program will include newspaper advertising of credit services in community papers, lobby brochures, displays on local billboards and direct mailings.

The bank conducted a market survey in 1995, and the bank will continue to try to offer the products which many of our customers requested, for instance sweep accounts.

The bank is considering another market survey in 2004 which will include special questions regarding community needs.

Our Officers and Employees are urged to be active in community affairs. By becoming involved in the organizations and demonstrating their interest, this will lend to the acceptance and the Bank's commitment to the local area being served by the Bank.

The Board of Directors are well known in the local community and will continue to offer the Bank's services through their associations and reporting during the quarterly meetings.

Self-Assessment

Included in the scope of the FDIC's compliance examination of our bank, is the assessment of the bank's performance in helping to meet the credit needs of our entire community, including low and moderate income neighborhoods. In connection with the FDIC's assessment, the bank's Compliance Officer, Katie Sweeney, will perform an annual self-assessment, by April 1 of each year, based on the following criteria:

- The bank's loan-to-deposit ratio, adjusted for seasonal variation and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- The percentage of loans and, as appropriate, other lending-related activities located in the bank's assessment area;
- The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
- The geographic distribution of the bank's loans; and
- The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area.

As with any internal review and analysis, the assessment procedures will be completely documented and available for review by regulatory agency examiners, auditors, or any other duly authorized third parties. Efforts in each of the elements listed above will be thoroughly evaluated.

The results of the annual CRA self-assessment will be presented and provided to the board of directors and will be used to direct Farmers and Merchants Bank's efforts in formulating the following year's CRA action plan.

The Board of Directors of Farmers and Merchants Bank, LaOtto, Indiana, have approved this CRA Statement to be effective April 2026.

2026 COMMUNITY REINVESTMENT ACT (CRA) SELF-ASSESSMENT
 prepared by Katie Sweeney, CFO

To the Board of Directors:

The following is my review of the Bank's CRA performance. The review consisted of evaluating the Bank's Loan-to-Deposit ratios; the number and amount of loans made in the Bank's assessment area; the Bank's lending performance to borrowers of different income levels and to businesses of different sizes; geographic distribution of the Bank's loans; and finally, the response to any CRA related comments or complaints.

Due to the results of this review, I believe the Bank should maintain a rating of : Satisfactory

As of December 31, 2025 the Bank had total assets of \$304,624,793 and total gross loans of \$187,255,792
 The following is a chart reflecting the composition of the Bank's loan portfolio as of December 31, 2025.

<u>Loan Type</u>	<u>Amount in 000's</u>	<u>% of Total Loans</u>
REAL ESTATE:		
Construction	\$ 10,034	5%
Agricultural:	24,642	13%
Residential (1-4)	105,073	56%
Home Equity	3,562	2%
Multifamily	1,936	1%
Commercial	15,823	8%
Subtotal Real Estate:	161,070	86%
CONSUMER	4,141	2%
COMMERCIAL/INDUSTRIAL	13,670	7%
AGRICULTURAL	8,026	4%
OTHER	285	0%
Total Loans	\$ 187,192	100%

The following shows loans and deposits within the Bank's Assessment Area by zip code as of December 31, 2025 (in \$000's).

<u>Zip Code</u>		<u>Loans</u>	<u>%of total</u>	<u>Deposits</u>	<u>%of total</u>
46011	(Anderson)	\$ 1,125	1%	\$ -	0%
46701	(Albion)	\$ 7,076	4%	\$ 7,705	3%
46703	(Angola)	\$ 553	0%	\$ 621	0%
46706	(Auburn)	\$ 11,286	7%	\$ 6,892	3%
46710	(Avilla)	\$ 8,567	5%	\$ 42,208	16%
46723	(Churubusco)	\$ 40,485	25%	\$ 49,515	19%
46725	(Columbia City)	\$ 12,536	8%	\$ 6,739	3%
46738	(Garrett)	\$ 5,722	4%	\$ 5,852	2%
46748	(Huntertown)	\$ 11,390	7%	\$ 69,904	27%
46750	(Huntington)	\$ 3,858	2%	\$ 237	0%
46755	(Kendallville)	\$ 5,041	3%	\$ 7,331	3%
46763	(LaOtto)	\$ 16,149	10%	\$ 16,641	6%
46765	(Leo)	\$ 1,207	1%	\$ 1,937	1%
46793	(Waterloo)	\$ 4,663	3%	\$ 1,359	1%
46802	(Fort Wayne)	\$ 3,622	2%	\$ 7,599	3%
46804	(Fort Wayne)	\$ 47	0%	\$ 229	0%
46808	(Fort Wayne)	\$ 354	0%	\$ 361	0%
46818	(Ft. Wayne/Churubusco)	\$ 11,379	7%	\$ 17,903	7%
46825	(Ft. Wayne)	\$ 5,124	3%	\$ 2,403	1%
46835	(Ft. Wayne)	\$ 5,256	3%	\$ 2,530	1%
46845	(Ft. Wayne)	\$ 4,242	3%	\$ 8,419	3%
46962	(North Manchester)	\$ 901	1%	\$ 468	0%
		<u>\$ 159,458</u>	100%	<u>\$ 256,853</u>	100%

Loan-to-Deposit Ratio

December 31, 2025	66.38%
September 30, 2025	64.53%
June 30, 2025	63.33%
March 31, 2025	65.30%
December 31, 2024	70.93%
Average Over Last Five Quarters:	66.09%

Loan-to-Deposit Ratio within the Bank's Assessment Area as of December 31, 2025 was approximately 66%. Loan demand, as well as deposit balances increased during 2025. The ratio is considered adequate for this Bank's size and available resources.

Lending in Assessment Area

Total loans as of December 31, 2025 were \$191,651,106, with approximately 83% of those loans being within the Bank's Assessment Area which includes 10 census tracts surrounding the Bank's four office locations.

Lending to Businesses of Different Sizes

The following is an illustration of the Bank's commercial/industrial and agricultural loans by number and original amounts for 2025:

Loan Type

REAL ESTATE SECURED:
(Non-Farm, Non-Residential)

<= \$100,000	7
> \$100,000 to \$250,000	13
> \$250,000	16

COMMERCIAL/INDUSTRIAL:
(Non-Farm, Non-Residential)

<= \$100,000	153
> \$100,000 to \$250,000	40
> \$250,000	28

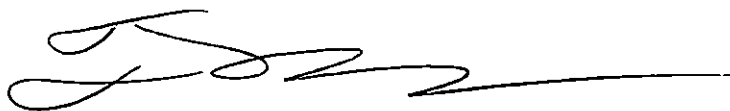
AGRICULTURAL:

<= \$100,000	38
> \$100,000 to \$250,000	9
> \$250,000	16

Responses to CRA Comments and Complaints

No comments or complaints for 2025 exist.

Farmers & Merchants Bank has not currently, or within the last two (2) calendar years, received any Community Reinvestment Act related customer comments or complaints.

A handwritten signature in black ink, appearing to read 'Tim Brubaker', with a long horizontal line extending to the right.

Tim Brubaker

CRA Officer

December 31, 2025

Farmers & Merchants Bank

Main Office Location

6464 Merchants Dr
LaOtto, IN 46763-0158

DeKalb County, Butler Township
Census Tract #207.00

Branch Office Locations

Huntertown Branch
1615 W Gump Rd
Huntertown, IN 46748-0010

Allen County, N. Perry Township
Census Tract #103.06

Churubusco Branch
9309 E Commerce Dr
Churubusco, IN 46723-0224

Whitley County, Smith Township
Census Tract #501.00

Kendallville Branch
2003 E Dowling St
Kendallville, IN 46755

Noble County, Wayne Township
Census Tract #9717.00

No New Branches have been opened or closed by Farmers & Merchants Bank during the current year or either of the prior two calendar years.

Farmers & Merchants Bank

The following information pertains to all bank offices.

HOURS OF OPERATION.

Monday-Friday 8am-5pm
Saturday 8am-12pm

AUTOMATED TELLER/CASH MACHINES.

LaOtto, Hometown, Churubusco, and Kendallville (Open 24 Hours)

LOAN PRODUCTS.

Consumer/Auto

Home Improvement

Personal

Real Estate Mortgages

- Conventional Fixed Rate
- Multifamily Dwelling
- Home Equity
- Construction
- Balloon

Commercial

- Construction
- Farm/Agriculture
- Local Business
 - Working Capital
 - Equipment
 - Revolving Line of Credit

DEPOSIT PRODUCTS.

Simply Free Checking

Easy Interest Checking

50 Advantage Interest Checking

Prestige Checking

Simply Free Business Checking

Business Interest Checking

Simply Savings

Platinum Money Market

Christmas Club

Tax Time

Certificate of Deposit

Individual Retirement Accounts

Safe Deposit Box

Farmers & Merchants Bank
Miscellaneous Fees and Charges
Effective 06/01/2023

NSF paid or Returned Item Charge.	\$30.00
Bounce Paid Item Charge.	\$30.00
Phone Transfer w/receipt.	\$ 1.00
Green Checking/Esavings paper statement.	\$ 2.79
Loss of Lock Box Key.	\$30.00
Outgoing Wire Transfer- Domestic.	\$30.00
Incoming Wire Transfer.	\$11.00
Outgoing Wire Transfer- Foreign.	may vary
Money Order.	\$ 2.00
Replacement ATM/Debit Card.	\$10.00
Dormant Account Fee.	\$ 5.00
Account Research.	\$20 per hour/ \$20 minimum
Account Balancing Assistance.	\$20 per hour
Continuous Overdraft Charge.	\$3.00 per day after 6 business days
Check/Deposit Ticket Printing.	Dependent on style ordered
Images in Monthly Statement.	\$2.00 per statement cycle
Drilling of Lock Box.Cost
Returned Deposit Item Charge.	\$9.00
Stop Payments.	\$10.00
Non-Customer Check Cashing.	\$5.00
Sweep Fee (deposit).	\$2.00
Sweep Fee (line of credit)..	\$5.00
Garnishment/Levy Fee.	\$20.00
Cashiers Check.	\$5.00
IRA Transaction Fee.	\$10.00
Fax Fee.	\$3.00
Statement Copy (per month)	\$3.00
Premature Account Closing.(if closed within 90 days). . . .	\$25.00
Escheatment Fee.	\$25.00

ASSESSMENT AREA DEFINITIONS

Census Tract 9717.00	Wayne Township – Noble County, Indiana (Kendallville)
Census Tract 9718.00	Wayne/Allen Townships – Noble County, Indiana (Kendallville)
Census Tract 9719.00	Orange Township – Noble County, Indiana (Kendallville)
Census Tract 9725.00	Swan Township – Noble County, Indiana (Avilla/LaOtto)
Census Tract 206.01	Keyser Township – DeKalb County, Indiana (Altona/Garrett)
Census Tract 206.02	Keyser Township - DeKalb County, Indiana (Altona/Garrett)
Census Tract 207.00	Butler Township - DeKalb County, Indiana (LaOtto/Butler Center)
Census Tract 501.00	Smith Township – Whitley County, Indiana (Churubusco)
Census Tract 104.00	Eel River Township – Allen County, Indiana (Churubusco/Fort Wayne)
Census Tract 103.06	NW Perry Township – Allen County, Indiana (Huntertown)
Census Tract 103.07	SW Perry Township – Allen County, Indiana (Huntertown/N Fort Wayne)
Census Tract 103.08	SC Perry Township – Allen County, Indiana (Huntertown/N Fort Wayne)

Home Mortgage Disclosure Act Notice

The HMDA data about our residential mortgage lending is available online for review. The data show geographic distribution of loans and applications, ethnicity, race, sex, age, and income of applicants and borrowers, and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this Web site.

FARMERS & MERCHANTS BANK

LOAN-TO-DEPOSIT RATIOS (Net Loans / Deposits)

Date	Ratio
December 31, 2025	66.38%
September 30, 2025	64.53%
June 30, 2025	63.33%
March 31, 2025	65.30%
December 31, 2024	70.93%