Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that the top-tier holding company for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that the Reporter and individual consent to public release of all information to the Federal Reserve System and is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

I, GUY HOSKINS III
Name of the Holding Company Director and Officer
EVP, CFO, SEC/TREAS and DIRECTOR
Title of the Holding Company Director and Officer
attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2015
Month / Day / Year
N/A
Reporter's Legal Entity Identifier (LEI) (20-character LEI Code)
F & M FINANCIAL CORPORATION
Legal Title of Holding Company
221 N MAIN STREET
(Mailing Address of the Holding Company) Street / P.O. Box
SALISBURY NC 28144
City / State / Zip Code
138 N SALISBURY AVE, GRANITE QUARRY, NC 28072
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
GAIL F YARBROUGH
Name
ASST. SEC/TREAS
Title
704-633-1772 2240
Area Code / Phone Number / Extension
704-633-5390
Area Code / FAX Number
gyarbrough@fmbnc.com
E-mail Address

For holding companies not registered with the SEC—
Indicate status of Annual Report to Shareholders:
☐ is included with the FR Y-6 report
☒ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only
RSSD ID: 076619
C.I.

Does the reporter request confidential treatment for any portion of this submission?
☐ Yes Please identify the report items to which this request applies:
☐ In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
☒ The information for which confidential treatment is sought is being submitted separately labeled "Confidential.

☑ No

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Director, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.
### Reconciliation and Verification Steps

1. Write the `Data Action` column of each branch row, enter one or more of the actions specified below.
2. If required, enter the data in the `Effective Date` column.

#### Actions

| OK: If the branch information is correct, enter 'OK' in the `Data Action` column. |
| Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the `Data Action` column and the date when this information first became valid in the `Effective Date` column. |
| Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the `Data Action` column. |
| Add: If a reportable branch is new, insert a row, add the branch data, and enter 'Add' in the `Data Action` column and the opening or acquisition date in the `Effective Date` column. |

#### Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed Instructions on this site for more information.

### Printing this list

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page and/or sized paper.

### Note:

To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Data Action of Change, Close, Delete, or Add. The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

---

#### Data Action column

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<tr>
<th>Branch Service Type</th>
<th>Branch ID RSSD*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>FDIC UNNUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID RSSD*</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>348720</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>138 N Salisbury AVE</td>
<td>GRANITE QUARRY</td>
<td>NC</td>
<td>28072</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>1350</td>
<td>0</td>
<td>FARMERS AND MERCHANTS BANK</td>
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<td>OK</td>
<td>332911</td>
<td>CHINA GROVE BRANCH</td>
<td>1111 NORTH MAIN STREET</td>
<td>CHINA GROVE</td>
<td>NC</td>
<td>28023</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>190793</td>
<td>4</td>
<td>FARMERS AND MERCHANTS BANK</td>
</tr>
<tr>
<td>OK</td>
<td>338710</td>
<td>WILMAR BRANCH</td>
<td>805 CHURCH STREET, NORTH</td>
<td>CONCORD</td>
<td>NC</td>
<td>28025</td>
<td>CABARRUS</td>
<td>UNITED STATES</td>
<td>448534</td>
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<td>OK</td>
<td>237132</td>
<td>FAITH BRANCH</td>
<td>101 S MAIN ST &amp; MT HOPE RD</td>
<td>FAITH</td>
<td>NC</td>
<td>28051</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>190793</td>
<td>1</td>
<td>FARMERS AND MERCHANTS BANK</td>
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<td>OK</td>
<td>303005</td>
<td>KANNAPOLIS BRANCH</td>
<td>3975 DALE EARHARDT BLVD</td>
<td>KANNAPOLIS</td>
<td>NC</td>
<td>28083</td>
<td>CABARRUS</td>
<td>UNITED STATES</td>
<td>440143</td>
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<td>FARMERS AND MERCHANTS BANK</td>
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<tr>
<td>OK</td>
<td>331324</td>
<td>ROCKWELL BRANCH</td>
<td>418 WEST MAIN STREET</td>
<td>ROCKWELL</td>
<td>NC</td>
<td>28138</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>190793</td>
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<td>FARMERS AND MERCHANTS BANK</td>
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<tr>
<td>OK</td>
<td>338014</td>
<td>AVALON DRIVE BRANCH</td>
<td>102 AVALON DR</td>
<td>SALISBURY</td>
<td>NC</td>
<td>28146</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>190793</td>
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<td>FARMERS AND MERCHANTS BANK</td>
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<td>OK</td>
<td>253181</td>
<td>BOULEVARD BRANCH</td>
<td>222 STATEVILLE BLVD</td>
<td>SALISBURY</td>
<td>NC</td>
<td>28144</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>190794</td>
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<td>FARMERS AND MERCHANTS BANK</td>
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<td>OK</td>
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<td>420 NORTH MAIN STREET</td>
<td>SALISBURY</td>
<td>NC</td>
<td>28144</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>190793</td>
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<td>TRINITY OAKS BRANCH</td>
<td>728 KILMAC ROAD</td>
<td>SALISBURY</td>
<td>NC</td>
<td>28144</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>190793</td>
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<td>FARMERS AND MERCHANTS BANK</td>
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<td>OK</td>
<td>450671</td>
<td>WEST SALISBURY BRANCH</td>
<td>630 JAMES ALEXANDER BLVD</td>
<td>SALISBURY</td>
<td>NC</td>
<td>28147</td>
<td>ROWAN</td>
<td>UNITED STATES</td>
<td>190793</td>
<td>3</td>
<td>FARMERS AND MERCHANTS BANK</td>
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</table>
REPORT FRY-6

F & M FINANCIAL CORPORATION
Granite Quarry, North Carolina
Fiscal Year Ending December 31, 2015

REPORT ITEM

1: The BHC prepares an annual report for its shareholders and is not registered with the SEC. The annual report is not included with this report. TO BE FILED WHEN PUBLISHED.

Target date May

2: a. ORGANIZATION CHART

```
PARENT CORPORATION
F & M Financial Corporation (OBHC)
Incorporated: 2/10/84 North Carolina
Location: Granite Quarry, N.C.
100% Common Stock owner of
Farmers And Merchants Bank
No LEI

Farmers And Merchants Bank
Commercial Bank (state, non-member, FDIC)
Incorporated: 7/13/1909 North Carolina
Location: Granite Quarry, N.C.
100% Common Stock owner of
F & M Investment Services, Inc.
No LEI

F & M Investment Services, Inc.
Incorporated: 5/23/89 North Carolina
Location: Granite Quarry, N.C.
Sells Securities and Insurance product via
Dual employee arrangement with broker/dealer
No LEI
```

2.B. Submitted early via email on January 14, 2015
F & M FINANCIAL CORPORATION
12/31/2015

ITEM 3: SECURITIES HOLDERS

<table>
<thead>
<tr>
<th>NAME/ADDRESS</th>
<th>COUNTRY</th>
<th>NO.SHARES OWNED</th>
<th>NO.SHARES OPTIONED</th>
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<tbody>
<tr>
<td>Fisher Woodside LP, Paul E Fisher, Manager, Paul E Fisher, Fox Hollow Four, LLC</td>
<td>USA</td>
<td>602,338</td>
<td>0</td>
</tr>
<tr>
<td>GRANITE QUARRY, NC</td>
<td>USA</td>
<td>602,338</td>
<td>0.00</td>
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</table>

(2) N/A
## 4. Directors and Officers of F & M Financial Corporation & Principal Securities Holder

(FMFC = F & M Financial Corp.; FMB = F & M Bank; FMIS = F & M Investment Services, Inc.)

<table>
<thead>
<tr>
<th>Name/Address/State/Country</th>
<th>Principal Occupation</th>
<th>Title &amp; Position with BHC</th>
<th>% of Voting Shares in BHC</th>
<th>% of Voting Shares in Subsidiary</th>
<th>List of Other Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Larry Gregory, North Garden, VA</td>
<td>Retired Prior Owner, Gregory Motors</td>
<td>Dir, FMFC, FMB, FMIS</td>
<td>0.51</td>
<td>None</td>
<td>N/A</td>
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<tr>
<td>2) Fisher Woodside LP, Salisbury, NC</td>
<td>N/A</td>
<td>N/A</td>
<td>16.79</td>
<td>None</td>
<td>N/A</td>
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<tr>
<td>4) C. Clifford Ritchie, Salisbury, NC</td>
<td>President/CEO, Cheer Wine</td>
<td>Dir, FMFC, FMB, FMIS</td>
<td>0.03</td>
<td>None</td>
<td>N/A</td>
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<tr>
<td>5) Susan W. Klutz, Salisbury, NC</td>
<td>State of NC</td>
<td>Dir, FMFC, FMB, FMIS</td>
<td>0.21</td>
<td>None</td>
<td>N/A</td>
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<td>6) Jacob Steven Fisher, Salisbury, NC</td>
<td>N/A</td>
<td>FMFC-Chairman/Pres,Gen Counsel, FMB-Chairman/Pres,Gen Counsel, FMIS-Chairman/Pres,Gen Counsel</td>
<td>N/A</td>
<td>0.74</td>
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<tr>
<td>7) William D. Kenerly, Salisbury, NC</td>
<td>Retired</td>
<td>Dir, FMFC, FMB, FMIS</td>
<td>0.26</td>
<td>None</td>
<td>N/A</td>
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<tr>
<td>8) Tom E. Smith, Salisbury, NC</td>
<td>Retired, Food Lion Chairman/CEO</td>
<td>Dir, FMFC, FMB, FMIS</td>
<td>0.08</td>
<td>None</td>
<td>100% Klumac Realty, Inc DBA Fisher-Greene Insurance Agency</td>
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<tr>
<td>9) Guy Hoskins III, Spencer, NC</td>
<td>N/A</td>
<td>FMFC-EVP/CFO/Sec/Treas, FMB-EVP/CFO/Sec/Treas, FMIS-EVP/CFO/Sec/Treas</td>
<td>N/A</td>
<td>1.35</td>
<td>N/A</td>
</tr>
<tr>
<td>10) Robert V. Honeycutt III, Salisbury, NC</td>
<td>N/A</td>
<td>FMFC-EVP, FMB-EVP</td>
<td>N/A</td>
<td>0.02</td>
<td>N/A</td>
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</tbody>
</table>