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)); sections 6(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 185, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1860a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

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. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2016

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

For Federal Reserve Bank Use Only
RSID
C.I.

Mark C. Krebs Treasurer & CFO
410-517-3065 x129
Area Code / Phone Number / Extension
410-517-3064
Area Code / FAX Number
mark.krebs@fmib1919.com
E-mail Address
www.fmb1919.com
Address (URL) for the Holding Company's web page

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Date of Signature
03/22/2017

Authority: Board of Governors of the Federal Reserve System

For which Organization must this report be filed:

NOTE: In accordance with the General Instructions for this report (check only one),
1. a letter justifying this request is being provided along with the report. ☐
2. a letter justifying this request has been provided separately. ☐

If No, Yes 0

9/22/2016
Form FR Y-6

Farmers and Merchants Bancshares, Inc.
Hampstead, MD
Fiscal Year Ending December 31, 2016

Report Item

1. The bank holding company is not registered with the SEC and prepares an annual report for its stockholders. One copy of the annual report is enclosed.

2a. Organizational Chart

```
Farmers and Merchants Bancshares, Inc.
(BHC)
Hampstead, Maryland
Incorporated in Maryland
no LEI

Farmers and Merchants Bank (Bank)
Upperco, Maryland
100% ownership by BHC
Incorporated in Maryland
no LEI

Series Protected Cell FCB-4. a series of First Community Bankers Insurance Co., LLC
Nashville, Tennessee
The BHC is the Managing Member
Incorporated in Tennessee
no LEI

Reliable Community Financial Services, Inc.
Upperco, Maryland
100% owned by the Bank
Incorporated in Maryland
no LEI
```
Results: A list of branches for your depository institution: FARMERS AND MERCHANTS BANK (ID_RSSD: 891226).

This depository institution is held by FARMERS AND MERCHANTS BANCSHARES, INC. (S041S21) of HAMPSTEAD, MD. The data are as of 12/31/2016. Data reflects information that was received and processed through 01/10/2017.

Reconciliation and Verification Steps
1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date 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.
Close: If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date 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 missing, 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.

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

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

If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note: To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a 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.

FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>2688004</td>
<td>GREENMOUNT WALMART BRANCH</td>
<td>2920 HANOVER PIKE</td>
<td>HAMPSTEAD</td>
<td>MD</td>
<td>21074</td>
<td>CARROLL</td>
<td>UNITED STATES</td>
<td>190396</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>2848392</td>
<td>HAMPSTEAD BRANCH</td>
<td>755 HANOVER PIKE</td>
<td>HAMPSTEAD</td>
<td>MD</td>
<td>21074</td>
<td>CARROLL</td>
<td>UNITED STATES</td>
<td>190396</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>4624802</td>
<td>ATRIUM VILLAGE BRANCH</td>
<td>4730 ATRIUM COURT</td>
<td>OWINGS MILLS</td>
<td>MD</td>
<td>21117</td>
<td>BALTIMORE</td>
<td>UNITED STATES</td>
<td>21210</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>2852353</td>
<td>HEMPSTEAD BRANCH</td>
<td>25 WINTERFEST PIKE</td>
<td>OWINGS MILLS</td>
<td>MD</td>
<td>21136</td>
<td>BALTIMORE</td>
<td>UNITED STATES</td>
<td>21210</td>
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<td>891226</td>
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<tr>
<td>OK</td>
<td>Full Service</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>4504602</td>
<td>WESTMINSTER BRANCH</td>
<td>275 CLIFTON ROAD</td>
<td>WESTMINSTER</td>
<td>MD</td>
<td>21137</td>
<td>CARROLL</td>
<td>UNITED STATES</td>
<td>190397</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
</tbody>
</table>
Report Item

3. Stockholders
   Current stockholders with ownership, control or holdings of 5% or more with power to vote as of December 31, 2016.

   None

3.(2) None
<table>
<thead>
<tr>
<th>Name &amp; Address</th>
<th>Principal Occupation</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)(a) Title &amp; Position with Bank</th>
<th>(3)(b) Title &amp; Position with Subsidiaries</th>
<th>(3)(c) Title &amp; Position with Other Businesses</th>
<th>(4)(a) Percentage of Voting Shares in Bank Holding Company</th>
<th>(4)(b) Percentage of Voting Shares in Subsidiaries</th>
<th>(4)(c) List names of other companies if 25% or more of voting securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>James R. Bosley, Jr. Hampstead, MD 21074</td>
<td>Banker</td>
<td></td>
<td></td>
<td>Director</td>
<td>President &amp; CEO</td>
<td>President &amp; CEO Farmers &amp; Merchants Bank</td>
<td>N/A</td>
<td>0.38%</td>
<td>N/A</td>
</tr>
<tr>
<td>Roger D. Cassell Monkton, MD 21117</td>
<td>Electronic Communications Director</td>
<td></td>
<td></td>
<td>Director</td>
<td>President - Communications</td>
<td>N/A</td>
<td>0.46%</td>
<td>N/A</td>
<td>1955 Automotive Group, LLC - 40%</td>
</tr>
<tr>
<td>Steven W. Eline Hampstead, MD 21074</td>
<td>Mortician</td>
<td></td>
<td></td>
<td>Director</td>
<td>President - Elina Funeral Homes,</td>
<td>N/A</td>
<td>0.55%</td>
<td>N/A</td>
<td>Revonah Bakery - 50%</td>
</tr>
<tr>
<td>Edward A. Hale, Jr. Upperco, MD 21155</td>
<td>Attorney</td>
<td></td>
<td></td>
<td>Director</td>
<td>Attorney - Fowley &amp; Beckley, P.A.</td>
<td>N/A</td>
<td>1.40%</td>
<td>N/A</td>
<td>White Hall Feed Company - 50%</td>
</tr>
<tr>
<td>Kenneth W. Hoffmeyer Manchester, MD 21102</td>
<td>Accountant</td>
<td></td>
<td></td>
<td>Director</td>
<td>Director - Slade, Inc. General Partner - Panther Branch L.P.</td>
<td>N/A</td>
<td>0.16%</td>
<td>N/A</td>
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</tr>
<tr>
<td>Ronald W. Hux Glyndon, MD 21071</td>
<td>Furniture Dealership</td>
<td></td>
<td></td>
<td>Director</td>
<td>President - Douron, Inc.</td>
<td>N/A</td>
<td>0.52%</td>
<td>N/A</td>
<td>Douron, Inc. - 45% Painters Mill Properties LLC - 53%</td>
</tr>
<tr>
<td>Mark C. Krebs Eldersburg, MD 21784</td>
<td>Banker Treasurer and Chief Financial Officer</td>
<td></td>
<td></td>
<td>SVP/ CFO Farmers &amp; Merchants Bank</td>
<td>N/A</td>
<td>N/A</td>
<td>0.11%</td>
<td>N/A</td>
<td>Viper Properties, Inc. - 30% Jaywood Enterprises LLC - 51%</td>
</tr>
<tr>
<td>T. Edward Lippy Hampstead, MD 20174</td>
<td>Farmer Director</td>
<td></td>
<td></td>
<td>Director</td>
<td>Trustee - Lippy Brothers Farms S.T.</td>
<td>N/A</td>
<td>3.49%</td>
<td>N/A</td>
<td>Lippy Brothers Farms S.T. - 50%</td>
</tr>
<tr>
<td>J. Lawrence Melnikowski Towson, MD 21204</td>
<td>Real Estate Director</td>
<td></td>
<td></td>
<td>Director</td>
<td>N/A</td>
<td>N/A</td>
<td>0.03%</td>
<td>N/A</td>
<td>High Cotton Times LLC - 200% Six C/D Associates LP - 33%</td>
</tr>
<tr>
<td>Christopher T. Oswald Baltimore, MD 21212</td>
<td>Banker Senior Vice President</td>
<td></td>
<td></td>
<td>SVP/COO Farmers &amp; Merchants Bank</td>
<td>N/A</td>
<td>N/A</td>
<td>0.02%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Name &amp; Address</td>
<td>Principal Occupation</td>
<td>(3)(a) Title &amp; Position with Bank Holding Company</td>
<td>(3)(b) Title &amp; Position with Subsidiaries</td>
<td>(4)(a) Percentage of Voting Shares in Bank Holding Company</td>
<td>(4)(b) Percentage of Voting Shares in Subsidiaries</td>
<td>(4)(c) List names of other companies if 25% or more of voting securities</td>
<td></td>
<td></td>
<td></td>
</tr>
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<tr>
<td>Bruce L. Schindler</td>
<td>Automobile Dealer</td>
<td>Director</td>
<td>President - Bob Davidson Ford</td>
<td>2.50%</td>
<td>N/A</td>
<td>Bob Davidson Ford, Inc. - 100% Schuster Enterprises, Inc. - 100% McDaid, LLC - 99% Lambru, LLC - 50%</td>
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<tr>
<td>Reisterstown, MD 21136</td>
<td></td>
<td>Farmers &amp; Merchants Bank</td>
<td>Davidson Ford Lincoln</td>
<td></td>
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</tr>
<tr>
<td>John J. Schuster, Jr.</td>
<td>Real Estate</td>
<td>Director</td>
<td>President - Schuster Enterprises, Inc. &amp; Schuster Management Corp.</td>
<td>0.43%</td>
<td>N/A</td>
<td>Schuster Enterprises, Inc. - 100% Schuster Management Corp. - 100% Schuster Properties, Inc. - 100% SIS Properties, LLC - 100% Schuster Substitute, LC - 100% Tarragon, LLC - 100% Rising Estates LP - 100% Center Park LP - 100% Maugansville LP - 100% Greenside II LP - 100% Greenside Elderly - 100% Frazier LP - 100% Cranberry Equities LP - 100% Cranberry Equities II LP - 100% Cranberry Equities III LP - 100% Salony House I LP - 100% Salony House II LP - 100%</td>
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<td></td>
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</tr>
<tr>
<td>Union Bridge, MD 21791</td>
<td></td>
<td>Farmers &amp; Merchants Bank</td>
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<td></td>
</tr>
<tr>
<td>Teresa L. Smack</td>
<td>Sole Proprietor</td>
<td>Director</td>
<td>Owner - Terry's Tag and Title Service</td>
<td>0.00%</td>
<td>N/A</td>
<td>Terry's Tag and Title Service - 100% Mercer &amp; Smack, LLC - 51% Smack, LLC - 100% AAB &amp; Smack, LLC - 50% BD &amp; Smack, LLC - 34% ANL, LLC - 50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Westminster, MD 21158</td>
<td></td>
<td>Farmers &amp; Merchants Bank</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Paul F. Wooden, Jr.</td>
<td>Manufacturing</td>
<td>Director</td>
<td>Chairman - Taylor Technologies, Inc.</td>
<td>1.76%</td>
<td>N/A</td>
<td>Taylor Property Partnership - 86% Taylor Spars LLC - 85% Loveaton Lot 10 LLC - 51% Loveaton Lot 11 LLC - 51% Spring Meadow Station LLC - 100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reisterstown, MD 21136</td>
<td></td>
<td>Farmers &amp; Merchants Bank</td>
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