Annual Report of Holding Companies—FR Y-6

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

This Report is required by law: Section 5(c)(2)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(2)(A)); sections 6(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3106(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 246(a)(1), 60, and 611a); and sections 513, 606, 612, 610, and 603 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1852(a)(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 or more directors of the top-tier holding company. This individual should also be a senior officer of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior officer 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 appropriate Federal Reserve Bank.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2017

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate 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.

Reported by:

Mark C. Krebs Treasurer & CFO

Date of Signature
3/19/18

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

RS6D ID 5041581

C.L.

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☐ Is included with the FR Y-6 report
☐ Will be sent under separate cover
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RS6D ID 5041581

C.L.

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

1. The bank holding company is registered with the SEC – see Form 10-K

2a. Organizational Chart

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Farmers and Merchants Bancshares, Inc. (BHC)
Hampstead, Maryland
Incorporated in Maryland
LEI - 549300405153J7VIV16

Farmers and Merchants Bank (Bank)
Upperco, Maryland
100% ownership by BHC
Incorporated in Maryland
LEI - 549300MKTQ1OL1FBNZ12

Reliable Community Financial Services, Inc.
Upperco, Maryland
100% owned by the Bank
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
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Report Item 2b.

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. (5041521) of HAMPSTEAD, MD.
The data are as of 12/31/2017. Data reflects information that was received and processed through 01/04/2018.

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>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>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>891226</td>
<td>891226</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>5126 HANOVER PIKE</td>
<td>UPPERCO</td>
<td>MD</td>
<td>21155</td>
<td>BALTIMORE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>24489040</td>
<td>24489040</td>
<td>GREENMOUNT WALMART BRANCH</td>
<td>2320 HANOVER PIKE</td>
<td>HAMPSTEAD</td>
<td>MD</td>
<td>21074</td>
<td>CARROLL</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>14463883</td>
<td>14463883</td>
<td>HAMPSTEAD BRANCH</td>
<td>735 HANOVER PIKE</td>
<td>HAMPSTEAD</td>
<td>MD</td>
<td>21074</td>
<td>CARROLL</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
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<tr>
<td>OK</td>
<td>Full Service</td>
<td>4474304</td>
<td>4474304</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>Not Required</td>
<td>Not Required</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>36706992</td>
<td>36706992</td>
<td>OWINGS MILLS BRANCH</td>
<td>8200 LAKESIDE BOULEVARD</td>
<td>OWINGS MILLS</td>
<td>MD</td>
<td>21117</td>
<td>BALTIMORE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>28521391</td>
<td>28521391</td>
<td>WESTMINSTER BRANCH</td>
<td>25 WESTMINSTER PIKE</td>
<td>WESTMINSTER</td>
<td>MD</td>
<td>21136</td>
<td>BALTIMORE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>4304667</td>
<td>4304667</td>
<td>WESTMINSTER BRANCH</td>
<td>275 CLIFTON ROAD</td>
<td>WESTMINSTER</td>
<td>MD</td>
<td>21157</td>
<td>CARROLL</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FARMERS AND MERCHANTS BANK</td>
<td>891226</td>
<td></td>
</tr>
</tbody>
</table>
3. Stockholders

Current stockholders with ownership, control or holdings of 5% or more with power to vote as of December 31, 2017.

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of Citizenship or Incorporation</th>
<th>Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siena Capital Partners GP, LLC Chicago, IL USA</td>
<td>USA</td>
<td>89,293 – 5.35%</td>
</tr>
</tbody>
</table>

3.(2) None
<table>
<thead>
<tr>
<th>Name &amp; Address (A)</th>
<th>Principal Occupation</th>
<th>Title &amp; Position with Bank</th>
<th>Title &amp; Position with Subsidiaries</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
<th>Percentage of Voting Shares in Subsidiaries</th>
<th>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>Director</td>
<td>Director, President &amp; CEO Farmers &amp; Merchants Bank</td>
<td>0.38%</td>
<td>N/A</td>
<td>1055 Automotive Group, LLC - 40% Revons Bakery - 50% Club 2000 - 50% LCB, LLP - 35%</td>
</tr>
<tr>
<td>Roger D. Cassell Monkton, MD 21111</td>
<td>Electronic Communications</td>
<td>Director</td>
<td>Director Farmers &amp; Merchants Bank</td>
<td>0.35%</td>
<td>N/A</td>
<td>Eline Funeral Home - 50% J.F. Eline &amp; Sons - 50% Carroll Cremation - 67% Eline Properties, LLC - 50% Eline Monuments LLC - 51% Pets, Flowers, &amp; Gifts, LLC - 50%</td>
</tr>
<tr>
<td>Steven W. Eline Hampstead, MD 21074</td>
<td>Mortician</td>
<td>Director</td>
<td>Director Farmers &amp; Merchants Bank</td>
<td>0.60%</td>
<td>N/A</td>
<td>Club 2000 - 50% LCB, LLP - 35%</td>
</tr>
<tr>
<td>Edward A. Halle, Jr. Upperco, MD 21155</td>
<td>Attorney</td>
<td>Director</td>
<td>Director Farmers &amp; Merchants Bank</td>
<td>1.43%</td>
<td>N/A</td>
<td>White Hall Feed Company - 90%</td>
</tr>
<tr>
<td>Ronald W. Hux Glyndon, MD 21071</td>
<td>Furniture Dealership</td>
<td>Director</td>
<td>Director Farmers &amp; Merchants Bank</td>
<td>0.65%</td>
<td>N/A</td>
<td>Douron, Inc. - 45% Painters Mill Properties LLC - 51% Jayand Enterprises LLC - 51% Caribbean Castaway LLC - 40% Painters Mill Enterprises LLC - 35%</td>
</tr>
<tr>
<td>Mark C. Krebs Eldersburg, MD 21784</td>
<td>Banker</td>
<td>Treasurer and Chief Financial Officer</td>
<td>EVP/ CFO Farmers &amp; Merchants Bank</td>
<td>0.11%</td>
<td>N/A</td>
<td>Lippy Brothers Farms S.T. - 50%</td>
</tr>
<tr>
<td>T. Edward Lippy Hampstead, MD 20174</td>
<td>Farmer</td>
<td>Director</td>
<td>Director Farmers &amp; Merchants Bank</td>
<td>3.77%</td>
<td>N/A</td>
<td>High Cotton Times LLC - 100% Six C/D Associates LP - 33% Site B LP - 33% North Highland Partnership - 30% 835 W Lombard Associates - 50% York Bellows LLC - 50% Lakeshore Crossroads LLC - 25% Lakeshore Outparcel LLC - 25% Mill Creek Associates - 25%</td>
</tr>
<tr>
<td>J. Lawrence Mezielski Towson, MD 21204</td>
<td>Real Estate</td>
<td>Director</td>
<td>Director Farmers &amp; Merchants Bank</td>
<td>0.04%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Christopher T. Oswald Baltimore, MD 21211</td>
<td>Banker</td>
<td>Senior Vice President</td>
<td>EVP/COO Farmers &amp; Merchants Bank</td>
<td>0.02%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Louna S. Primm Westminster, MD 21158</td>
<td>Banker</td>
<td>Director</td>
<td>Director Farmers &amp; Merchants Bank</td>
<td>0.00%</td>
<td>N/A</td>
<td>Bob Davidson Ford, Inc. - 100%</td>
</tr>
<tr>
<td>Bruce L. Schindler</td>
<td>Automobile</td>
<td>Director</td>
<td>Director Farmers &amp; Merchants Bank</td>
<td>2.55%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Name &amp; Address (A)</td>
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<td>-------------------</td>
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<td>---------------------------------------------------</td>
<td>---------------------------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>Reisterstown, MD 21136</td>
<td>Dealer</td>
<td>Director</td>
<td>Farmers &amp; Merchants Bank</td>
<td>Davidson Ford Lincoln</td>
<td>0.50%</td>
<td>N/A</td>
</tr>
<tr>
<td>John J. Schuster, Jr. Union Bridge, MD 21791</td>
<td>Real Estate</td>
<td>Director</td>
<td>Farmers &amp; Merchants Bank</td>
<td>President - Schuster Enterprises, Inc. &amp; Schuster Management Corp.</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Teresa L. Smack Westminster, MD 21158</td>
<td>Sole Proprietor</td>
<td>Director</td>
<td>Farmers &amp; Merchants Bank</td>
<td>Owner - Terry's Tag and Title Service</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Paul F. Wooden, Jr. Reisterstown, MD 21136</td>
<td>Manufacturing</td>
<td>Director</td>
<td>Farmers &amp; Merchants Bank</td>
<td>Managing Executive - Taylor Property Partnership Taylor Sparks LLC &amp; Taylor Loveton Center LLC Spring Meadow Station LLC</td>
<td>1.81%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(A) - all Directors and Officers listed live in the USA