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)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(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, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(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.

I, GUY HOSKINS III
Name of the Holding Company Director and Official
EVP, CFO, SECRETARY, TREASURER, DIRECTOR
Title of the Holding Company Director and Official
\[\text{attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.}\]

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 it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

\[\text{Signature of Holding Company Director and Official}\]
\[\text{Date of Signature}\]
\[\text{For holding companies not registered with the SEC—indicate status of Annual Report to Shareholders:}\]
\[\text{☐ is included with the FR Y-6 report}\]
\[\text{☒ will be sent under separate cover}\]
\[\text{☐ is not prepared}\]

For Federal Reserve Bank Use Only

RSSD ID
C.I.

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.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2019

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

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:
LORI H JACKSON
Name

ASST SEC / TREAS
Title

704-762-2212
Area Code / Phone Number / Extension

704-633-5390
Area Code / FAX Number

ljjackson@fmbnc.com
E-mail Address

NONE

Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? 0=No 1=Yes 0

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 ...

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

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.50 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: Secretary, 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.

12/2019
For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

<table>
<thead>
<tr>
<th>Legal Title of Subsidiary Holding Company</th>
<th>Legal Title of Subsidiary Holding Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</td>
<td>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</td>
</tr>
<tr>
<td>City</td>
<td>State</td>
</tr>
<tr>
<td>Physical Location (if different from mailing address)</td>
<td>Physical Location (if different from mailing address)</td>
</tr>
</tbody>
</table>

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<tr>
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</thead>
<tbody>
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</tr>
<tr>
<td>City</td>
<td>State</td>
</tr>
<tr>
<td>Physical Location (if different from mailing address)</td>
<td>Physical Location (if different from mailing address)</td>
</tr>
</tbody>
</table>

12/2012
Results: A list of branches for your depository institution: FARMERS AND MERCHANTS BANK (ID_RSSD: 348720). This depository institution is held by F & M FINANCIAL CORPORATION (1076619) of GRANITE QUARRY, NC. The data are as of 12/31/2019. Data reflects information that was received and processed through 01/07/2020.

Reconciliation and Verification Steps
1. In the Data Action column of each branch row, enter one or more of the actions specified below 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, 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.

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://yl0online.federalreserve.gov.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.
REPORT FRY-6

F & M FINANCIAL CORPORATION
Granite Quarry, North Carolina
Fiscal Year Ending December 31, 2019

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

2.B. Reviewed and verified- 2/4/2020
ITEM 3: SECURITIES HOLDERS

F & M FINANCIAL CORPORATION
December 31, 2019

<table>
<thead>
<tr>
<th>NAME/ADDRESS</th>
<th>COUNTRY</th>
<th>(B) NO.SHARES OWNED</th>
<th>(C) NO.SHARES AS %</th>
<th>(C) NO.SHARES OPTIONED</th>
<th>(C) NO.SHARES AS %</th>
<th>AS %</th>
<th>OUTSTANDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fisher Woodside, LP (Paul E Fisher, Manager)</td>
<td>USA</td>
<td>250,000</td>
<td>17.99</td>
<td>0</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul E Fisher and Immediate family *</td>
<td>USA</td>
<td>289,773</td>
<td>20.85</td>
<td>0</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>539,773</td>
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</tbody>
</table>


GRANITE QUARRY, NC

(2) N/A
<table>
<thead>
<tr>
<th>NAME/ADDRESS/STATE/COUNTRY</th>
<th>OCCUPATION</th>
<th>(1) NAME/ADDRESS/STATE/COUNTRY</th>
<th>(2) OTHER PRINCIPAL OCCUPATION</th>
<th>(3) TITLE &amp; POSITION WITH BHC</th>
<th>(3)(a) &amp; (3)(b) TITLE &amp; POSITION WITH SUB NAME</th>
<th>(3)(c) TITLE &amp; POSITION WITH OTHER COMPANY</th>
<th>(4)(a) % OF VOTING SHARES IN BHC</th>
<th>(4)(b) % OF VOTING SHARES IN SUB LIST NAME</th>
<th>(4)(c) LIST NAMES OF OTHER COMPANIES (INCLUDE PARTNERSHIPS) IF 25% OR MORE OF VOTING SECURITIES ARE HELD (LIST NAMES OF COMPANIES AND % OF VOTING SECURITIES HELD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) CAROL HERNDON</td>
<td>CHIEF FINANCIAL OFFICER</td>
<td>SALISBURY, NC</td>
<td>CIDEF FINANCIAL OFFICER</td>
<td>DIR- FMFC, FMB, FMIS</td>
<td>N/A</td>
<td>0.00</td>
<td>NONE</td>
<td>N/A</td>
<td>PRINCIPAL SECURITIES HOLDER</td>
</tr>
<tr>
<td>2) FISHER WOODSIDE LP</td>
<td>N/A</td>
<td>SALISBURY, N.C.</td>
<td>N/A</td>
<td>N/A</td>
<td>17.99</td>
<td>NONE</td>
<td>N/A</td>
<td>N/A</td>
<td>FMFC = F&amp;M FINANCIAL CORP.; FMB = F &amp; M BANK; FMIS = F &amp; M INVESTMENT SERVICES, INC.</td>
</tr>
<tr>
<td>3) JOHN M. FISHER</td>
<td>INSURANCE AGENT</td>
<td>GRANITE QUARRY, NC</td>
<td>DIR-FMFC, FMB, FMIS</td>
<td>PRESIDENT J E FISHER INS AGENCY, INC</td>
<td>5.33</td>
<td>NONE</td>
<td>51% J E FISHER INS AGENCY, INC</td>
<td>DBA FISHER-GREENE INSURANCE AGENCY</td>
<td></td>
</tr>
<tr>
<td>4) C. CLIFFORD RITCHIE</td>
<td>PRES/CEO CHEERWINE</td>
<td>SALISBURY, NC</td>
<td>DIR-FMFC, FMB, FMIS</td>
<td>N/A</td>
<td>0.03</td>
<td>NONE</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) SUSAN W KLUFTZ</td>
<td>N/A</td>
<td>SALISBURY, NC</td>
<td>GUY HOSKINS III</td>
<td>N/A</td>
<td>0.22</td>
<td>NONE</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6) JACOB STEVEN FISHER</td>
<td>N/A</td>
<td>SALISBURY, NC</td>
<td>ROBERT V HONEYCUTT III</td>
<td>N/A</td>
<td>1.10</td>
<td>NONE</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7) WILLIAM D KENERLY</td>
<td>RETIRED</td>
<td>SALISBURY, NC</td>
<td>VERGEL L. LATTIMORE III</td>
<td>N/A</td>
<td>0.27</td>
<td>NONE</td>
<td>N/A</td>
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<td></td>
</tr>
<tr>
<td>8) GUY HOSKINS III</td>
<td>N/A</td>
<td>SPENCER, NC</td>
<td>ROBERT V HONEYCUTT III</td>
<td>N/A</td>
<td>2.09</td>
<td>NONE</td>
<td>N/A</td>
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<td></td>
</tr>
<tr>
<td>9) ROBERT V HONEYCUTT III</td>
<td>N/A</td>
<td>SALISBURY, NC</td>
<td>VERGEL L. LATTIMORE III</td>
<td>N/A</td>
<td>0.31</td>
<td>NONE</td>
<td>N/A</td>
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<td></td>
</tr>
<tr>
<td>10) VERGEL L. LATTIMORE III</td>
<td>PRES - HOOD THEOLOGICAL SEMINARY</td>
<td>SALISBURY, NC</td>
<td>VERGEL L. LATTIMORE III</td>
<td>N/A</td>
<td>0.00</td>
<td>NONE</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11) EMMITT H BLACK</td>
<td>RETIRED</td>
<td>GOLD HILL, NC</td>
<td>EMMITT H BLACK</td>
<td>N/A</td>
<td>0.00</td>
<td>NONE</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12) PAUL E FISHER &amp; IMMEDIATE FAMILY **</td>
<td>N/A</td>
<td>SALISBURY, NC</td>
<td>PAUL E FISHER &amp; IMMEDIATE FAMILY **</td>
<td>N/A</td>
<td>14.41</td>
<td>NONE</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Everyone in Column 1 is in the USA