

**F&M FINANCIAL CORPORATION**

	CPP Disbursement Date 02/13/2009	RSSD (Holding Company) 1138450	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2008</b> \$ millions	<b>2009</b> \$ millions	%chg from prev	
<b>Assets</b>	\$722	\$793	9.8%	
Loans	\$589	\$637	8.1%	
Construction & development	\$143	\$129	-9.8%	
Closed-end 1-4 family residential	\$99	\$123	25.2%	
Home equity	\$56	\$69	22.3%	
Credit card	\$0	\$0		
Other consumer	\$31	\$30	-6.0%	
Commercial & Industrial	\$49	\$50	0.6%	
Commercial real estate	\$147	\$168	14.5%	
Unused commitments	\$110	\$118	7.1%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$46	\$51	11.6%	
Asset-backed securities	\$0	\$0		
Other securities	\$20	\$25	21.5%	
Cash & balances due	\$12	\$13	8.2%	
<b>Residential mortgage originations</b>				
Closed-end mortgage originated for sale (quarter)	\$44	\$109	148.9%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$42	\$102	143.6%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
<b>Liabilities</b>	\$670	\$729	8.9%	
Deposits	\$597	\$656	10.0%	
Total other borrowings	\$58	\$66	13.0%	
FHLB advances	\$55	\$66	19.3%	
<b>Equity</b>				
Equity capital at quarter end	\$53	\$57	7.4%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$2	\$5	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	8.5%	7.8%	--	
Tier 1 risk based capital ratio	10.1%	9.9%	--	
Total risk based capital ratio	10.8%	10.8%	--	
Return on equity <sup>1</sup>	-0.8%	-24.0%	--	
Return on assets <sup>1</sup>	-0.1%	-1.8%	--	
Net interest margin <sup>1</sup>	3.1%	3.3%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	85.9%	86.3%	--	
Loss provision to net charge-offs (qtr)	132.9%	103.3%	--	
Net charge-offs to average loans and leases <sup>1</sup>	0.1%	5.7%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Construction & development	1.1%	0.6%	0.0%	0.3%
Closed-end 1-4 family residential	1.2%	1.4%	0.0%	0.2%
Home equity	0.0%	0.1%	0.0%	0.0%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	0.6%	0.4%	0.4%	0.6%
Commercial & Industrial	0.9%	1.0%	0.1%	15.3%
Commercial real estate	0.5%	1.4%	0.0%	0.0%
Total loans	0.8%	1.0%	0.0%	1.4%