

F & M FINANCIAL CORPORATION

	CPP Disbursement Date 02/06/2009	RSSD (Holding Company) 1076619	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev	
Assets	\$691	\$657	-5.0%	
Loans	\$567	\$518	-8.7%	
Construction & development	\$129	\$100	-22.6%	
Closed-end 1-4 family residential	\$142	\$134	-5.4%	
Home equity	\$81	\$75	-7.3%	
Credit card	\$0	\$0		
Other consumer	\$6	\$4	-28.2%	
Commercial & Industrial	\$38	\$30	-19.6%	
Commercial real estate	\$160	\$164	2.4%	
Unused commitments	\$118	\$111	-5.9%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$0	\$0		
Asset-backed securities	\$0	\$0		
Other securities	\$26	\$26	-0.6%	
Cash & balances due	\$65	\$79	19.9%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$14	\$25	83.7%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$15	\$27	82.5%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$618	\$583	-5.6%	
Deposits	\$522	\$508	-2.7%	
Total other borrowings	\$92	\$71	-23.0%	
FHLB advances	\$61	\$56	-8.2%	
Equity				
Equity capital at quarter end	\$74	\$74	0.3%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$17	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	11.3%	11.2%	--	
Tier 1 risk based capital ratio	13.3%	14.6%	--	
Total risk based capital ratio	14.5%	15.9%	--	
Return on equity ¹	4.6%	4.2%	--	
Return on assets ¹	0.5%	0.5%	--	
Net interest margin ¹	4.3%	4.1%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	34.9%	23.0%	--	
Loss provision to net charge-offs (qtr)	536.0%	47.9%	--	
Net charge-offs to average loans and leases ¹	0.4%	4.1%	--	
¹ Quarterly, annualized.				
Asset Quality (% of Total Loan Type)	Noncurrent Loans		Gross Charge-Offs	
	2009	2010	2009	2010
Construction & development	13.8%	25.4%	0.1%	3.3%
Closed-end 1-4 family residential	3.4%	4.8%	0.1%	0.5%
Home equity	1.5%	2.2%	0.0%	0.5%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	1.3%	1.0%	1.3%	1.0%
Commercial & Industrial	1.5%	2.1%	1.2%	0.1%
Commercial real estate	7.6%	8.1%	0.0%	0.6%
Total loans	6.5%	9.2%	0.2%	1.0%