

F&M BANK CORP  
Form 10-Q  
August 08, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 10-Q

Quarterly report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2018.

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 000-13273

F & M BANK CORP.

Virginia  
(State or Other Jurisdiction of Incorporation or Organization) 54-1280811  
(I.R.S. Employer Identification No.)

P. O. Box 1111  
Timberville, Virginia 22853  
(Address of Principal Executive Offices) (Zip Code)

(540) 896-8941  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "an emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	Accelerated filer	Non-accelerated filer	(Do not check if a smaller reporting company)
Smaller reporting company		Emerging growth company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

State the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 6, 2018
Common Stock, par value - \$5	3,228,984 shares



F & M BANK CORP.

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Part I Financial Information  
Item 1 Financial Statements

F & M BANK CORP.  
Consolidated Balance Sheets  
(Dollars in thousands, except per share data)

	June 30,	December 31,
	2018	2017*
	(Unaudited)	
Assets		
Cash and due from banks	\$9,735	\$10,622
Money market funds	1,565	1,285
Federal funds sold	2,064	-
Cash and cash equivalents	13,364	11,907
Securities:		
Held to maturity – fair value of \$122 and \$125 in 2018 and 2017, respectively	122	125
Available for sale	8,263	28,615
Other investments	14,771	12,503
Loans held for sale	49,821	39,775
Loans held for investment	634,122	616,974
Less: allowance for loan losses	(7,105)	(6,044)
Net loans held for investment	627,017	610,930
Other real estate owned, net	2,034	1,984
Bank premises and equipment, net	17,487	15,894
Interest receivable	1,983	2,007
Goodwill	2,956	2,881
Bank owned life insurance	19,166	13,950
Other assets	13,684	12,699
Total assets	\$770,668	\$753,270
Liabilities		
Deposits:		
Noninterest bearing	\$163,809	\$162,233
Interest bearing	404,757	406,944
Total deposits	568,566	569,177
Short-term debt	46,000	25,296
Accrued liabilities	16,904	17,789
Long-term debt	47,434	49,733
Total liabilities	678,904	661,995

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Stockholders' Equity		
Preferred Stock \$25 par value, 400,000 shares authorized, 322,510 and 324,150 issued and outstanding for June 30, 2018 and December 31, 2017, respectively	\$7,488	\$7,529
Common stock, \$5 par value, 6,000,000 shares authorized, 3,242,462 and 3,255,036 shares issued and outstanding for June 30, 2018 and December 31, 2017, respectively.	16,212	16,275
Additional paid in capital – common stock	9,796	10,225
Retained earnings	61,989	60,814
Non-controlling interest in consolidated subsidiaries	554	574
Accumulated other comprehensive loss	(4,275)	(4,142)
Total stockholders' equity	\$91,764	\$91,275
Total liabilities and stockholders' equity	\$770,668	\$753,270

\*2017 derived from audited consolidated financial statements.

See notes to unaudited consolidated financial statements





F & M BANK CORP.  
Consolidated Statements of Income  
(Dollars in thousands)  
(Unaudited)

	Three Months Ended	
	June 30,	
	2018	2017
Interest and Dividend income		
Interest and fees on loans held for investment	\$8,529	\$7,906
Interest and fees on loans held for sale	308	271
Interest from money market funds and federal funds sold	5	18
Interest on debt securities – taxable	120	61
Total interest and dividend income	8,962	8,256
Interest expense		
Total interest on deposits	766	633
Interest from short-term debt	126	24
Interest from long-term debt	223	268
Total interest expense	1,115	925
Net interest income	7,847	7,331
Provision for Loan Losses	1,350	-
Net Interest Income After Provision for Loan Losses	6,497	7,331
Noninterest income		
Service charges on deposit accounts	358	335
Investment services and insurance income, net	223	187
Mortgage banking income, net	615	613
Title insurance income	306	355
Income on bank owned life insurance	112	112
Low income housing partnership losses	(192)	(201)
ATM and check card fees	388	351
Other operating income	189	130
Total noninterest income	1,999	1,882
Noninterest expense		
Salaries	3,047	2,628
Employee benefits	953	852
Occupancy expense	286	254
Equipment expense	259	207
FDIC insurance assessment	48	90

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Other real estate owned, net	17	12
Marketing expense	129	122
Legal and professional fees	95	79
ATM and check card fees	195	178
Telecommunication and data processing expense	417	352
Directors fees	114	116
Bank franchise tax	146	164
Other operating expenses	927	963
Total noninterest expense	6,633	6,017
Income before income taxes	1,863	3,196
Income tax expense	159	809
Net Income	1,704	2,387
Net income attributable to non-controlling interest	16	59
Net Income attributable to F & M Bank Corp.	\$1,688	\$2,328
Dividends paid/accumulated on preferred stock	104	105
Net income available to common stockholders	\$1,584	\$2,223

Per Common Share Data

Net income – basic	\$.49	\$.68
Net income – diluted	\$.47	\$.64
Cash dividends on common stock	\$.25	\$.23
Weighted average common shares outstanding – basic	3,250,749	3,272,352
Weighted average common shares outstanding – diluted	3,609,812	3,637,030

See notes to unaudited consolidated financial statements



F & M BANK CORP.  
 Consolidated Statements of Income  
 (Dollars in thousands)  
 (Unaudited)

Six Months Ended

June 30,

	2018	2017
Interest and Dividend income		
Interest and fees on loans held for investment	\$17,010	\$15,609
Interest and fees on loans held for sale	458	445
Interest from money market funds and federal funds sold	25	75
Interest on debt securities – taxable	212	137
Total interest and dividend income	17,705	16,266
Interest expense		
Total interest on deposits	1,505	1,249
Interest from short-term debt	136	32
Interest from long-term debt	453	550
Total interest expense	2,094	1,831