

Annual Report of Bank 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)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank 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). 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.

NOTE: The *Annual Report of Bank Holding Companies* must be signed by one director of the top-tier bank holding company. This individual should also be a senior official of the top-tier bank holding company. In the event that the top-tier bank 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.

Date of Report (top-tier bank holding company's fiscal year-end):

December 31, 2011

Month / Day / Year

I, Franklin Latta

Name of the Bank Holding Company Director and Official

Chief Executive Officer

Title of the Bank Holding Company Director and Official

Reporter's Name, Street, and Mailing Address

F & M Financial Corp

Legal Title of Bank Holding Company

Post Office Box 390

(Mailing Address of the Bank Holding Company) Street / P.O. Box

Piedmont AL 36272

City State Zip Code

116 Ladiga Street East, Piedmont, AL 36272

Physical location (if different from mailing address)

attest that the *Annual Report of Bank Holding Companies* (including the supporting attachments) for this report date have 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.

Person to whom questions about this report should be directed:

Stanley E. Nelson, CPA Certified Public Accountant

Name Title

256-241-0570 207

Area Code / Phone Number / Extension

256-236-4670

Area Code / FAX Number

stan.nelson@warrenaverett.com

E-mail Address

www.f-mbank.com

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

Signature of Bank Holding Company Director and Official

Date of Signature

3-29-12

For bank 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

RSSD ID
C.I.

1137082

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

For Use By Tiered Bank Holding Companies

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

Legal Title of Subsidiary Bank Holding Company

(Mailing Address of the Subsidiary Bank Holding Company) Street / P.O. Box

City State Zip Code

Physical location (if different from mailing address)

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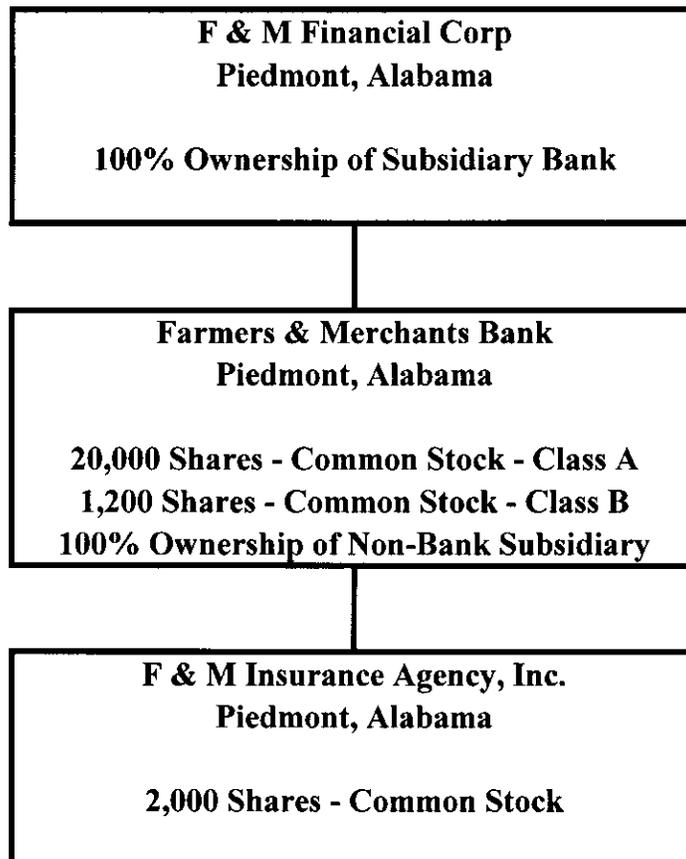
**FORM FR Y - 6
F & M FINANCIAL CORP
DECEMBER 31, 2011**

Report Item 1: Annual Report to Shareholders

The audited consolidated financial statements of December 31, 2011 are enclosed.

**FORM FR Y - 6
F & M FINANCIAL CORP
DECEMBER 31, 2011**

Report Item 2: Organization Chart



Report Item 2b: Domestic Branch Listing

Results: A list of branches for your BHC: F&M FINANCIAL CORP (1137882) of PIEDMONT, AL.
The data are as of 12/31/2011. Data reflects information that was received and processed through 01/05/2012.

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.

Data Action	Effective Date	Branch Service Type	Branch ID RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	434539	FARMERS & MERCHANTS BANK	112 EAST LADIGA STREET	PIEDMONT	AL	36272	CALHOUN	UNITED STATES	1147	0	FARMERS & MERCHANTS BANK	434539	
OK		Full Service	1369357	ANNISTON BRANCH	1429 QUINTARD AVENUE	ANNISTON	AL	36201	CALHOUN	UNITED STATES	190037	1	FARMERS & MERCHANTS BANK	434539	
OK		Full Service	2291736	JACKSONVILLE BRANCH	1130 S PELHAM ROAD	JACKSONVILLE	AL	36265	CALHOUN	UNITED STATES	190038	2	FARMERS & MERCHANTS BANK	434539	
OK		Full Service	2682482	OXFORD BRANCH	35 ALI WAY	OXFORD	AL	36203	CALHOUN	UNITED STATES	190039	3	FARMERS & MERCHANTS BANK	434539	

FORM FR Y-6
F & M FINANCIAL CORP
FISCAL YEAR ENDING DECEMBER 31, 2011

Report Item 3: Shareholders

(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2011			Shareholders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2011		
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Norwood E. Green Lookout Mountain, TN 37350	USA	22,200 Shares 13.26% Common Stock	N/A		
Franklin W. Latta Piedmont, AL 36272	USA	21,087 Shares 12.60% Common Stock			
Betty L. Rankin Piedmont, AL 36272	USA	19,887 shares 11.88% Common Stock			
Mary L. Woods Piedmont, AL 36272	USA	19,887 shares 11.88% Common Stock			
Margaret L. Whorton Centre, AL 35960	USA	19,087 Share 11.41% Common Stock			
The Estate of Margaret T. Latta Piedmont, AL 36272	USA	13,612 shares 8.13% Common Stock			
James Smallwood Piedmont, AL 36272	USA	13,200 Shares 7.89% Common Stock			

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F & M FINANCIAL CORP
FISCAL YEAR ENDING DECEMBER 31, 2011

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if Other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (including names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (including names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Franklin W. Latta Piedmont, AL 36272	N/A	President	CEO Farmers & Merchants Bank	N/A	12.60%	N/A	N/A
James Smallwood Piedmont, AL 36272	N/A	N/A	Vice-President Farmers & Merchants Bank	N/A	7.89%	N/A	N/A
Millard V. Young, Jr. Piedmont, AL 36272	Corporate President	Director	Director Farmers & Merchants Bank	Owner Young Oil Company	0.84%	N/A	Young Oil Company 27%
Arthur Fite, IV Anniston, AL 36202	Attorney	Director	Director Farmers & Merchants Bank	Owner Fite Law Firm	0.30%	N/A	N/A
John Bekkers Alpharetta, GA 30203	Corporate Executive	Director	Director Farmers & Merchants Bank	N/A	0.30%	N/A	N/A
Betty L. Rankin Piedmont, AL 36272	N/A	N/A	Human Resources Farmers & Merchants Bank	N/A	11.88%	N/A	N/A

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F & M FINANCIAL CORP
 FISCAL YEAR ENDING DECEMBER 31, 2011

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(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if Other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (including names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (including names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Joe Lively Piedmont, AL 36272	Corporate Executive	Director	Director Farmers & Merchants Bank	Owner Lively Foodland, Inc.	0.66%	N/A	Lively Foodland, Inc. 100%
Larry Deason Anniston, AL 36207	N/A	Director	President Farmers & Merchants Bank	N/A	0.24%	N/A	N/A
Margaret Whorton Centre, AL 35960	Real Estate	N/A	N/A	N/A	11.41%	N/A	N/A
Mary Woods Piedmont, AL 36272	Teller	N/A	N/A	N/A	11.88%	N/A	N/A
Norwood Green Lookout Mountain, TN 37350	Retired	N/A	N/A	N/A	13.26%	N/A	N/A