

F&M BANK CORP
Form 10-Q
November 13, 2013

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 September 30, 2013.

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

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, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

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Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No
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 November 8, 2013 |
|-------------------------------------|--|
| Common Stock, par value - \$5 | 2,510,267 shares |

F & M BANK CORP.

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Part I Financial Information
Item 1 Financial Statements

F & M BANK CORP.
Consolidated Statements of Income

(In Thousands of Dollars Except per Share Amounts)
(Unaudited)

| | Three Months Ended September 30, | |
|---|-------------------------------------|----------|
| | 2013 | 2012 |
| Interest income | | |
| Interest and fees on loans held for investment | \$6,320 | \$ 6,454 |
| Interest and fees on loans held for sale | 80 | 531 |
| Interest on federal funds sold | 17 | 3 |
| Interest on interest bearing deposits | 2 | 1 |
| Interest on debt securities | 39 | 37 |
| Total interest income | 6,458 | 7,026 |
| Interest expense | | |
| Interest on demand deposits | 198 | 290 |
| Interest on savings accounts | 29 | 47 |
| Interest on time deposits over \$100,000 | 197 | 225 |
| Interest on other time deposits | 378 | 502 |
| Total interest on deposits | 802 | 1,064 |
| Interest on short-term debt | 3 | 15 |
| Interest on long-term debt | 389 | 494 |
| Total interest expense | 1,194 | 1,573 |
| Net interest income | 5,264 | 5,453 |
| Provision for loan losses | 1,000 | 900 |
| Net interest income after provision for loan losses | 4,264 | 4,553 |
| Noninterest income | | |
| Service charges | 307 | 290 |
| Insurance and other commissions | 235 | 236 |
| Other | 387 | 360 |
| Income on bank owned life insurance | 128 | 146 |
| Total noninterest income | 1,057 | 1,032 |
| Noninterest expense | | |
| Salaries | 1,670 | 1,448 |
| Employee benefits | 521 | 496 |
| Occupancy expense | 148 | 149 |
| Equipment expense | 134 | 131 |
| FDIC insurance assessment | 180 | 174 |
| Other | 1,009 | 1,066 |
| Total noninterest expense | 3,662 | 3,464 |

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| | | |
|--------------------------------------|-----------|-----------|
| Income before income taxes | 1,659 | 2,121 |
| Income tax expense | 445 | 702 |
| Consolidated net income | 1,214 | 1,419 |
| Net income - Noncontrolling interest | (31) | (37) |
| Net Income – F & M Bank Corp | \$1,183 | \$ 1,382 |
| Per share data | | |
| Net income (basic and dilutive) | \$.47 | \$.56 |
| Cash dividends | \$.17 | .16 |
| Weighted average shares outstanding | 2,503,509 | 2,497,142 |

See notes to unaudited consolidated financial statements

Part I Financial Information
 Item 1 Financial Statements

F & M BANK CORP.
 Consolidated Statements of Income

(In Thousands of Dollars Except per Share Amounts)
 (Unaudited)

| | Nine Months Ended September 30, | |
|--|------------------------------------|-----------|
| | 2013 | 2012 |
| Interest income | | |
| Interest and fees on loans held for investment | \$ 18,763 | \$ 18,941 |
| Interest and fees on loans held for sale | 623 | |