

F&M BANK CORP
Form 10-Q
May 15, 2015

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 March 31, 2015.

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 Jurisdiction of Incorporation or Organization)	(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, 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)

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting Company	<input checked="" type="checkbox"/>

Edgar Filing: F&M BANK CORP - Form 10-Q

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 May 14, 2015
Common Stock, par value - \$5	3,294,005 shares

F & M BANK CORP.

Index

	Page	
Part I	Financial Information	3
Item 1.	Financial Statements	3
	Consolidated Statements of Income – Three Months Ended March 31, 2015 and 2014	3
	Consolidated Statements of Comprehensive Income – Three Months Ended March 31, 2015 and 2014	4
	Consolidated Balance Sheets – March 31, 2015 and December 31, 2014	5
	Consolidated Statements of Cash Flows – Three Months Ended March 31, 2015 and 2014	6
	Consolidated Statements of Changes in Stockholders’ Equity – Three Months Ended March 31, 2015 and 2014	7
	Notes to Consolidated Financial Statements	8
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	36
Item 4.	Controls and Procedures	36
Part II	Other Information	37
Item 1.	Legal Proceedings	37
Item 1a.	Risk Factors	37
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	37
Item 3.	Defaults Upon Senior Securities	37
Item 4.	Mine Safety Disclosures	37
Item 5.	Other Information	37
Item 6.	Exhibits	37

Signatures 38

Certifications

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 March 31,	
	2015	2014
Interest income		
Interest and fees on loans held for investment	\$6,772	\$6,226
Interest and fees on loans held for sale	191	15
Interest on federal funds sold	5	12
Interest on debt securities	43	38
Total interest income	7,011	6,291
Interest expense		
Interest on demand deposits	157	167
Interest on savings accounts	33	28
Interest on time deposits over \$100,000	123	158
Interest on other time deposits	241	304
Total interest on deposits	554	657
Interest on short-term debt	11	2
Interest on long-term debt	120	291
Total interest expense	685	950
Net interest income	6,326	5,341
Provision for loan losses	300	750
Net interest income after provision for loan losses	6,026	4,591
Noninterest income		
Service charges	226	257
Insurance and other commissions	235	22
Other	323	381
Income on bank owned life insurance	118	116
Total noninterest income	902	776
Noninterest expense		
Salaries	1,818	1,655
Employee benefits	624	520
Occupancy expense	178	160
Equipment expense	163	144
FDIC insurance assessment	192	180
Other	1,407	1,079
Total noninterest expense	4,382	3,738
Income before income taxes	2,546	1,629

Edgar Filing: F&M BANK CORP - Form 10-Q

Income tax expense	649	476
Consolidated net income – F & M Bank Corp.	1,897	1,153
Net income - Noncontrolling interest (income) loss	(26)	30
Net Income – F & M Bank Corp	\$1,871	\$1,183
Dividends paid/accumulated on preferred stock	128	-
Net income available to common stockholders	\$1,743	\$1,183
Per share data		
Net income – basic	\$.53	\$.46
Net income – diluted	.50	.46
Cash dividends	\$.18	\$.17
Weighted average shares outstanding – basic	3,292,646	2,598,639
Weighted average shares outstanding – diluted	3,737,046	2,598,639