

WINTER 2007

F&M
BANK

INSIGHTS

A PUBLICATION FOR SHAREHOLDERS, CUSTOMERS & FRIENDS OF F&M BANK

NEW FACILITIES

WE'RE OPEN!



CEO Sammy Stuard (with large scissors) and Chairman John R. Wallace officially cut the ribbon on F&M's new main office. They are flanked by Clarksville Mayor Johnny Piper and Montgomery County Mayor Carolyn Bowers.

New Main Office Opens In Downtown Clarksville

After years of planning and 18 months of construction, F&M Bank opened its new main office at 50 Franklin Street on January 30. Over 100 people braved winter's chill in order to celebrate the ribbon cutting and warm reception inside the 50,000 square foot facility. Located in historic downtown Clarksville, the lower level, main level and 2nd floors are currently open for business. Construction of the 4th floor and 5th floor offices should be completed by the end of March. Grand opening activities will follow soon ... watch for details!

White House Office Opens February 26

Ribbon Cutting March 14

Following close behind the opening of the new main office is F&M's new White House office ... our twelfth location – the third in Robertson County. Tim Chowning, vice president and branch manager, is in charge of furthering the bank's presence in Robertson County and the first location bordering Sumner County. Chowning has over 17 years of Middle Tennessee banking experience, serving 16 of those years in White House. From

2000-2006, Chowning was employed as vice president and branch manager by First State Bank in White House. Earlier, he spent 10 years at Union

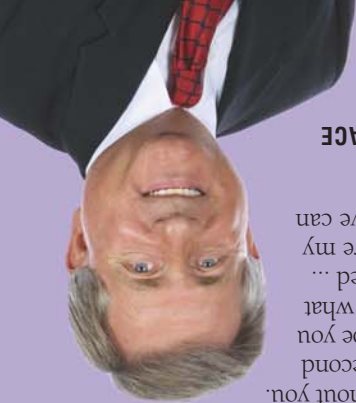


F&M will soon open its 12th banking location at **610-B Hwy. 76** in White House, across from Osh Kosh B'Gosh.

Planters/Bank of Goodlettsville in White House, also as vice president and branch manager. Cathy Hulan, Micha Gregory, Kathy Davis and Janet Thacker round out F&M's new White House staff. A week of grand opening festivities is planned for White House in early April.



Tim Chowning



JOHN R. WALLACE
CHAIRMAN

was up to 1.16%, an increase of 4.5% over 2005. Most important to our shareholders, return on equity (ROE) jumped to 14.44%, a healthy increase over 2005. Thank you! None of what we've achieved could have been possible without you. As we enter our second millennium, I hope you share my pride in what we've accomplished ... and that you share my vision of where we can still go.

and I can only imagine the excitement as we gather together on the top floor of 50 Franklin Street. It was equally rewarding to read new FDIC reports published in October, verifying that F&M had finally surpassed AmSouth to achieve the NUMBER ONE market share in Stewart County ... where F&M has been an integral part of the community's fabric for 100 years. The good news continued as our banks' 2006 financials landed on a very positive note. Deposits increased 10.57% in 2006. Net loans increased 7.10%. Our loan-to-deposit ratio ended the year at a strong 94.05%. Return on assets (ROA)

When it seems things can't get better, they do! As energizing as 2006 was ... with our 100th anniversary celebration, multiple special events, Fun Mobile, Dream Car Giveaway, surpassing \$500 million in assets and opening three new offices ... there have been few things in my career as personally rewarding as opening our new main office. What a remarkable achievement for our bank! What a splendid way to position F&M, both in the heart of Clarksville's historic Public Square and as the number one bank in Montgomery County. We are a few short weeks away from completing this massive project ...

CHAIRMAN'S NOTES

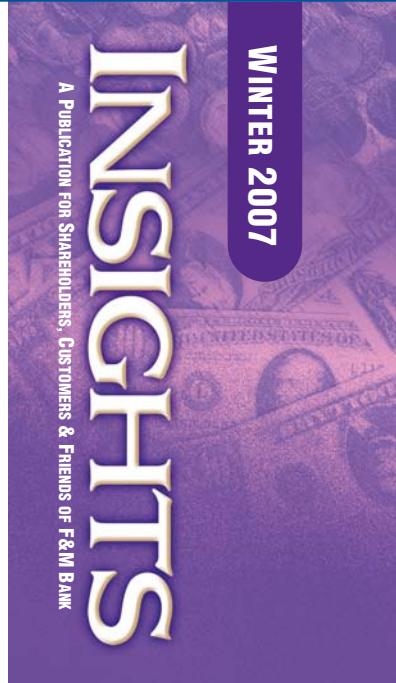
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Open ANY new personal checking account with a \$500 opening deposit and receive a **FREE 2007 American Eagle Silver Dollar!*** Open the account between now and April 15, 2007 ... and receive free **Smart Choice** personalized checks for the life of your account.

*Account must be opened with funds other than from an existing F&M Bank account. Free checks limited to 150 *Smart Choice* checks per order. Limited time offer.

Let F&M Deliver Your Statement Right To Your Desktop!

If it's convenience you crave ... let F&M Bank deliver your statement online! It's quick, secure and less paper to manage. Your statement will arrive via e-mail each month with the identical information as your paper statement, including check images. Protected with a

secure password, you can download your statement to your computer – accessible to reconcile bank accounts at YOUR convenience – or to easily pull up and print as a tax time reference. Let F&M sign you up for an e-statement today.

PEOPLE

F&M Announces Promotions

Sammy Stuard, president/CEO of F&M Bank, has announced the following promotions:

Lynn Ray promoted to senior vice president/director of human resources

JoRene Jezwinski promoted to senior vice president/bank operations

Khandra Smalley promoted to vice president/marketing

Pamela Settle promoted to vice president/operations officer

David Payne promoted to vice president/internal audit risk

Pam Phillips promoted to vice president/senior internal auditor

Rhonda McKinney promoted to assistant vice president/collateral services

Bonnie Norris Of Watertown Wins F&M 100 Dream Car

It was down to 11 finalists. On Saturday, December 16, each would select one of 11 key fobs ... only one of which was programmed to sound the horn on the F&M 100 Dream Car. When the dust settled and the horn finally sounded, it was Bonnie Norris of Watertown, Tennessee who won F&M Bank's 100th Anniversary Dream Car Giveaway. Hundreds of people gathered at Governors Square Mall in Clarksville to witness the exciting conclusion of F&M Bank's 100th Anniversary celebration. Congratulations Bonnie!

