

FARMERS & MERCHANTS BANCORP
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PROXY STATEMENT/PROSPECTUS

Proxy Statement of Delta National Bancorp

Prospectus of Farmers & Merchants Bancorp

MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT

To the Shareholders of Delta National Bancorp:

Delta National Bancorp (“Delta Bancorp”) will hold its annual meeting of shareholders on Monday, October 17, 2016, at 5:00 p.m. (local time), at Delta Bank, National Association, 611 North Main Street, Manteca, California 95336. At the annual meeting, you will be asked to consider and to vote upon the following matters:

- The approval of a merger agreement providing for the merger of Delta National Bancorp with and into Farmers & Merchants Bancorp, as described in more detail herein;
- The election of five (5) directors;
- The ratification of Richardson & Company, LLP as Delta Bancorp’s independent public accounting firm for 2016; and
- A proposal to adjourn or postpone the annual meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement.

On June 8, 2016, Delta Bancorp entered into an Agreement and Plan of Reorganization (the “merger agreement”) with Farmers & Merchants Bancorp (F&M Bancorp”) that provides for the merger of the two companies. If approved by Delta Bancorp shareholders, under the merger agreement Delta Bancorp will merge with and into F&M Bancorp (the “merger”), and Delta Bancorp’s wholly-owned bank subsidiary, Delta Bank, National Association (“Delta Bank”), will merge with and into Farmers & Merchants Bank of Central California (“F&M Bank”), F&M Bancorp’s wholly-owned bank subsidiary (the “bank merger”).

If the merger is approved and consummated, holders of Delta Bancorp common stock will, subject to receiving cash in lieu of fractional shares, be entitled to receive, in exchange for each share of Delta Bancorp common stock, 0.031748 shares of F&M Bancorp Common Stock, and holders of Delta Bancorp preferred stock will be entitled to receive, in exchange for each share of Delta Bancorp preferred stock, cash in the amount of \$19.827 per share of Delta Bancorp preferred stock without further interest or dividend.

The market value of the merger consideration may fluctuate with the market price of F&M Bancorp common stock and will not be known at the time Delta Bancorp shareholders vote on the merger. Based on the \$600.00 per share closing price of F&M Bancorp’s common stock on the OTCQX Market on September 7, 2016, the last practicable date before the date of this proxy statement/prospectus, the value of the per share merger consideration payable to holders

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of Delta Bancorp common stock was approximately \$7.24 million and the cash payment to the holders of Delta Bancorp preferred stock will be approximately \$2.18 million, for an aggregate merger consideration approximating \$9.42 million. We urge you to obtain current market quotations for F&M Bancorp common stock (OTCQX Market trading symbol "FMCB") because the value of the per share merger consideration will fluctuate.

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As of August 26, 2016, the record date for the Delta Bancorp annual meeting of shareholders, there were 380,303 shares of Delta Bancorp common stock outstanding and entitled to vote and there were 110,000 shares of Delta Bancorp preferred stock outstanding and entitled to vote.

Based on the 380,303 shares of common stock outstanding, F&M Bancorp will issue a maximum of 12,074 shares of common stock to holders of Delta Bancorp common stock before taking into account any fractional shares; provided, however, holders of Delta Bancorp common stock entitled to receive fractional interests of F&M Bancorp common stock will be paid cash instead at the rate of \$545.00 per whole share of F&M Bancorp common stock. Accordingly, the exact number of shares of F&M Bancorp common stock that will be issued in the merger will be dependent on the number of fractional interests resolved for cash.

This document, which serves as a proxy statement for Delta Bancorp's annual meeting of shareholders and as a prospectus with respect to the offering and issuance of the F&M Bancorp common stock to be issued in the merger to the holders of Delta Bancorp common stock, describes the Delta Bancorp annual meeting and includes important information about the proposed merger, the companies participating in the merger, and the merger agreement pursuant to which the merger will be consummated, if approved. We encourage you to read the entire document carefully, including the "Risk Factors" section beginning on page 27, for a discussion of the risks related to the proposed merger.

Delta Bancorp's board of directors has determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of Delta Bancorp and its shareholders, has unanimously approved the merger agreement and the transactions contemplated thereby, and recommends that Delta Bancorp shareholders vote "FOR" all of the proposals described in this proxy statement/prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of these materials. Any representation to the contrary is a criminal offense. Shares of common stock of F&M Bancorp are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of these materials is September 9, 2016, and they are expected to be first mailed to shareholders on or about September 15, 2016.

611 North Main Street
Manteca, California 95336

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To be held on October 17, 2016

TO THE SHAREHOLDERS OF DELTA NATIONAL BANCORP:

The annual meeting of shareholders of Delta National Bancorp will be held on Monday, October 17, 2016, at 5:00 p.m. (local time), at Delta Bank, National Association, 611 North Main Street, Manteca, California 95336, for the following purposes:

1. Approval of Merger Agreement. To consider and vote on the Agreement and Plan of Reorganization (the “merger agreement”) under which Delta National Bancorp (“Delta Bancorp”) will merge with and into Farmers & Merchants Bancorp (“F&M Bancorp”), as more particularly described in the following materials.

2. Election of Directors. To elect the following five (5) nominees to the Delta Bancorp board of directors to serve: (i) until the consummation of the merger; or (ii) in the event the merger is not consummated and the merger agreement is terminated, until the next annual meeting of shareholders and until their successors are duly elected and have qualified:

William B. Barringer Valerie Rossi
Theodore Poulos Warren E. Wegge
Toinette Rossi

3. Ratification of Auditors. To consider and ratify the appointment of Richardson & Company, LLP as Delta Bancorp’s independent public accounting firm for the year ending December 31, 2016.

4. Adjournment. To approve the adjournment or postponement of the annual meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement.

5. Transaction of Other Business. To transact such other business as may properly come before the annual meeting or any adjournments of the annual meeting.

Management of Delta Bancorp is not aware of any other business to be conducted at the annual meeting.

This proxy statement/prospectus describes the proposals listed above in more detail. Please refer to the following materials, including the merger agreement and all other annexes, and any documents incorporated by reference, for further information with respect to the business to be transacted at the annual meeting. You are encouraged to read this entire document carefully before voting. In particular, see the section entitled “Risk Factors” beginning on page 27.

The Delta Bancorp board of directors has fixed the close of business on August 26, 2016, as the record date for determination of shareholders entitled to notice of, and the right to vote at, the annual meeting. Therefore, if you were a shareholder of record at the close of business on August 26, 2016, you may vote at the annual meeting.

The board of directors has determined that the merger is advisable and in the best interests of Delta Bancorp shareholders based upon its analysis, investigation and deliberation, and unanimously recommends that its shareholders vote "FOR" approval of the merger agreement.

The Board of Directors also recommends that shareholders vote to approve the remaining proposals to elect the five (5) nominees named in this proxy statement/prospectus to the board of directors, to ratify the appointment of Richardson & Company, LLP as Delta Bancorp's independent public accounting firm for 2016, and to approve the proposal to adjourn the annual meeting to a later date or dates, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose.

YOUR VOTE IS VERY IMPORTANT. The enclosed proxy card is solicited by the board of directors. Whether or not you plan to attend the annual meeting, we urge you to promptly complete, sign and date the enclosed proxy card and return it in the postage-paid envelope provided for that purpose. You may revoke your proxy at any time before it is voted at the annual meeting by giving written notice of revocation to the Corporate Secretary of Delta Bancorp, by submitting a properly executed proxy bearing a later date, or by being present at the annual meeting and electing to vote in person by advising the Chairman of the annual meeting of your election.

Please indicate on the proxy card whether or not you expect to attend the annual meeting so that arrangements for adequate accommodations can be made.

If you would like to attend the annual meeting and your shares are held by a broker, bank or other nominee, you must bring to the annual meeting a recent brokerage statement or a letter from the nominee confirming your beneficial ownership of the shares. You must also bring a form of personal identification. In order to vote your shares at the annual meeting, you must also obtain a proxy issued in your name from that nominee.

By Order of the Board of Directors,

/s/ Toinette Rossi

September 9, 2016 Toinette Rossi,
Corporate Secretary

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PROXY STATEMENT/PROSPECTUS

ANNUAL MEETING OF SHAREHOLDERS

To be held on October 17, 2016

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This proxy statement/prospectus incorporates important business and financial information about F&M Bancorp from documents that are not included in or delivered with this document. Delta Bancorp shareholders can obtain these documents through the website of the Securities and Exchange Commission (“Commission”), at <http://www.sec.gov>, or by requesting them in writing or by telephone from F&M Bancorp as follows:

Farmers & Merchants Bancorp
111 West Pine Street
Lodi, California 95240
Attention: Stephen Haley
Telephone: (209) 367-2300

If any Delta Bancorp shareholder would like to request documents, please do so by October 10, 2016 in order to receive them before the Delta Bancorp annual meeting.

DELTA BANCORP SHAREHOLDERS

If you are a Delta Bancorp shareholder and have questions about the merger, the merger agreement or the Delta Bancorp annual meeting, need additional copies of this proxy statement/prospectus or need to obtain proxy cards or other information related to the Delta Bancorp proxy solicitation, you may contact Mr. Warren E. Wegge, Delta Bancorp’s President & CEO, at the following address:

Delta National Bancorp
611 North Main Street
Manteca CA 95336

or at the following telephone number:
(209) 824-4030

Delta Bancorp does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, and accordingly, does not file documents or reports with the Commission.

For additional information, please see “Where You Can Find More Information” beginning on page 99.

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QUESTIONS AND ANSWERS
ABOUT THE MERGER AND THE ANNUAL MEETING

The following are some questions that you, as a Delta Bancorp shareholder, may have regarding the merger agreement, the merger and the other matters being considered at the annual meeting and the answers to those questions. F&M Bancorp and Delta Bancorp urge you to read carefully the remainder of this document because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the annual meeting. Additional important information is also contained in the appendices to this proxy statement/prospectus and in the documents incorporated herein by reference.

Questions and Answers about the Delta Bancorp Annual Meeting

Q: Why have I received these materials?

A: Delta Bancorp is sending these materials to its shareholders to help them decide how to vote their shares of Delta Bancorp common stock and preferred stock with respect to the proposed merger and the other matters to be considered at the annual meeting.

This document constitutes both a proxy statement of Delta Bancorp and a prospectus of F&M Bancorp. It is a proxy statement because the Board of Directors is soliciting proxies from its shareholders. It is a prospectus of F&M Bancorp because F&M Bancorp will use it in connection with the issuance of shares of F&M Bancorp common stock in exchange for shares of Delta Bancorp common stock in connection with the merger. Delta Bancorp's audited financial statements for the years ended December 31, 2015 and 2014 were previously mailed to its shareholders as a part of its Annual Report. Shareholders requesting additional copies of the Annual Report should contact Mr. Warren E. Wegge, Delta Bancorp's President & CEO, at the following address:

Delta National Bancorp
611 North Main Street
Manteca, CA 95336

or at the following telephone number:
(209) 824-4030

In order to complete the merger, shareholders of Delta Bancorp must vote to approve the merger agreement (which sets forth the term terms of the merger). The enclosed proxy card and voting materials allow you to vote your shares without actually attending the annual meeting.

Q: When and where will the annual meeting be held?

A: The Delta Bancorp annual meeting will be held at Delta Bank, National Association, 611 North Main Street, Manteca, California 95336, on Monday, October 17, 2016, at 5:00 p.m. (local time).

Q: Who is entitled to vote at the annual meeting?

A: Delta Bancorp shareholders of record as of the close of business on August 26, 2016, will be entitled to vote at the annual meeting.

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Q: What are Delta Bancorp shareholders being asked to vote on?

A: If you hold shares of Delta Bancorp common stock and/or Delta Bancorp preferred stock as of the record date for the annual meeting you are being asked to vote to:

·approve the merger agreement;

·elect the five (5) nominees named in this proxy statement/prospectus to the board of directors to serve: (i) until consummation of the merger; or (ii) in the event the merger is not consummated and the merger agreement is terminated, until the next annual meeting of shareholders and until their successors are elected and have qualified;

·ratify the selection of Richardson & Company, LLP to serve as Delta Bancorp's independent public accounting firm for the year ending December 31, 2016;

·approve any adjournment or postponement of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose; and

·transact such other business as may properly come before the annual meeting and any adjournment or adjournments thereof.

Q: What vote is required to approve each proposal?

A: The proposal to approve the merger agreement requires the affirmative votes of the holders of (i) a majority of the outstanding shares of Delta Bancorp common stock and preferred stock, voting together, and (ii) 66-2/3% of the Delta Bancorp preferred stock voting as a separate class; in each case, based upon the number of shares outstanding as of the record date for the annual meeting and entitled to vote at the meeting.

With respect to the election of directors, the five nominees receiving the greatest number of votes will be elected to the board of directors with the common and preferred stock voting together.

The proposal to adjourn the annual meeting, if necessary, and the proposal to ratify the selection of auditors require the affirmative vote of at least a majority of the outstanding shares of Delta Bancorp common stock and preferred stock, voting together, present in person or represented by proxy and entitled to vote at the annual meeting.

There are 380,303 shares of common stock and 110,000 shares of preferred stock outstanding and entitled to vote at the annual meeting. Therefore, the approval of the merger agreement will require the favorable vote of at least 245,152 shares, on a combined basis, and at least 73,334 shares of the preferred stock.

All of Delta Bancorp's directors and executive officers have agreed, in writing, to vote their shares "FOR" the merger agreement. See "Proposal 1 – The Merger—Shareholder Agreements" beginning on page 62 for more information. Delta Bancorp's directors and executive officers collectively hold, as of the record date for the annual meeting: (i) 174,941 shares of Delta Bancorp common stock, representing 46.0% of Delta Bancorp's issued and outstanding shares of common stock; and (ii) 110,000 shares of Delta Bancorp preferred stock, representing 100.0% of the issued and outstanding shares of preferred stock. Therefore, on a combined basis, the directors and executive officers hold 284,941 shares.

Q: How does the board of directors recommend that I vote on each proposal?

A: The board of directors recommends that you vote as follows:

·“FOR” the merger agreement;

·“FOR” the election of each of William B. Barringer, Theodore Poulos, Toinette Rossi, Valerie Rossi, and Warren E. Wegge to the board of directors;

·“FOR” the ratification of Richardson & Company, LLP as Delta Bancorp’s independent public accounting firm for the year ending December 31, 2016, and

·“FOR” the adjournment or postponement of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose.

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Q: How many votes do I have and how do I vote at the annual meeting?

A: Except with respect to the election of directors, you may vote “FOR,” “AGAINST” or “ABSTAIN” with respect to any of the proposals presented at the annual meeting. You are entitled to one vote for each share that you owned as of the record date for the annual meeting. Each share of preferred stock is entitled to one vote per share on all matters on which holders of common stock are entitled to vote.

With respect to the election of directors you may vote “FOR” the election of all the nominees to the board of directors, or you may “WITHHOLD vote from all nominees,” or you may vote “FOR ALL EXCEPT” and withhold your vote for one or more of the nominees by marking your enclosed proxy card in the manner instructed on the proxy card. Shares may be voted cumulatively for the election of directors if a nominee’s or nominees’ name(s) have been properly placed in nomination prior to the voting and you or another shareholder informs Delta Bancorp at or prior to the annual meeting of your or their intention to cumulate votes at the annual meeting. See “The Delta Bancorp Annual Meeting—Number of Votes; Cumulative Voting” beginning on page 33 for a discussion of cumulative voting with respect to the election of directors.

If you are a shareholder of record, you may vote in person at the annual meeting, or you may vote by proxy using the enclosed proxy card.

Whether or not you plan to attend the annual meeting, you are urged to vote by proxy to ensure your vote is counted. You may still attend the annual meeting and vote in person if you have already voted by proxy.

To vote in person, simply attend the annual meeting and you will be given a ballot when you arrive.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card before the annual meeting, your shares will be voted as you direct.

Q: What if my shares are held in street name by my broker or other nominee?

A: If you are a beneficial owner of shares registered in the name of your broker or other nominee, you should have received a proxy card and voting instructions with these proxy materials directly from that organization rather than from Delta Bancorp. Except with respect to the ratification of accountants, which is a routine matter, your broker or nominee cannot vote your shares unless you provide instructions on how to vote them, which is referred to as a broker non-vote. To vote your shares, follow the voting instructions your broker or nominee provides when forwarding these proxy materials to you and complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker or nominee. To vote in person at the annual meeting, you must obtain a valid proxy from your broker or nominee. If you do not provide voting instructions to your broker, bank or agent, this will have the same effect as a vote “AGAINST” the merger agreement. Your abstention will have no effect on the outcome of any of the other proposals to be voted on at the annual meeting. See “The Delta Bancorp Annual Meeting—Abstentions and Broker Non-Votes” beginning on page 35.

Q: May I revoke or change my vote after I have provided proxy instructions?

A: Yes. If you hold shares in certificate form, you may revoke or change your proxy at any time before the time your proxy is voted at the annual meeting by: (i) filing with the Corporate Secretary of Delta Bancorp at the applicable address listed below an instrument revoking it or a duly executed proxy bearing a later date; or (ii) appearing and voting in person at the annual meeting.

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Your attendance alone at the annual meeting will not revoke your proxy. If you wish to revoke your vote by providing written notice, such notice must be sent so that notice is received before the vote is taken at the annual meeting and should be addressed as follows:

Delta National Bancorp
611 North Main Street
Manteca, CA 95336
Attention: Toinette Rossi,
Corporate Secretary

If you have instructed a broker or other nominee to vote your shares, you must follow directions received from your broker or other nominee in order to change those instructions.

Q: What will happen if I do not return my proxy card or otherwise vote?

A: If you fail to execute and return your proxy card or otherwise do not vote in person at the annual meeting, it will have the same effect as voting against the merger agreement. The failure to execute and return your proxy card or the failure to vote in person will have no effect on the other proposals to which you are entitled to vote at the annual meeting.

Q: What will happen if I sign and return my proxy card without indicating how I wish to vote?

A: If you sign and return your proxy card without indicating how to vote on any particular proposal, the proxy holder designated in your proxy card will vote your proxy as recommended by Delta Bancorp's board of directors, including voting "FOR" approval of the merger agreement, in which case you will be prohibited from asserting dissenters' rights.

Q: What constitutes a quorum for purposes of the annual meeting?

A: A quorum of shareholders is necessary to hold a valid meeting. A majority of the shares of Delta Bancorp common stock and preferred stock issued and outstanding and entitled to vote on the record date (taken together) must be represented in person or by proxy at the annual meeting in order for a quorum to be present for purposes of transacting business. Proxies marked as abstaining (including proxies containing broker non-votes) on any matter to be acted upon by shareholders will be treated as present at the meeting for purposes of determining a quorum but will not be counted as votes cast on such matters. If there is no quorum, a majority of the votes present at that meeting may adjourn the meeting to another date.

Questions and Answers Specific to the Merger Agreement and the Merger

Q: What will happen if Delta Bancorp shareholders approve the merger agreement, and what will I receive if the merger is completed?

A: Subject to the satisfaction or waiver of all other conditions in the merger agreement, including regulatory approvals, if Delta Bancorp shareholders approve the merger agreement: (i) F&M Bancorp will acquire Delta Bancorp by merging Delta Bancorp with and into F&M Bancorp, with F&M Bancorp surviving; (ii) F&M Bancorp will issue shares of its common stock in exchange for shares of Delta Bancorp common stock and will pay cash for fractional shares of common stock and for shares of Delta Bancorp preferred stock pursuant to the terms of the merger agreement; and (iii) following the merger of Delta Bancorp with and into F&M Bancorp, Delta Bank will be merged with and into F&M Bank with F&M Bank surviving and continuing commercial bank operations of the combined bank following the merger.

If you hold shares of Delta Bancorp stock and do not exercise and/or perfect your dissenters' rights under California law (which is discussed more fully below under the caption "The Delta Bancorp Annual Meeting – Dissenters' Rights" beginning on page 36, your shares of Delta Bancorp stock will be converted, effective as of the close of the merger, into the right to receive the merger consideration as determined in accordance with the merger agreement.

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Please read the sections entitled “Proposal 1 – The Merger—Structure of the Merger” and “Proposal 1 – The Merger — The Merger Consideration” beginning on pages 36 and 44, respectively, for additional information.

Q: Is the exchange ratio subject to adjustment based on changes in the price of F&M Bancorp common stock or Delta Bancorp common stock?

A: No. The exchange ratio of 0.031748 shares of F&M Bancorp common stock for each share of Delta Bancorp common stock is fixed and no adjustments to the exchange ratio will be made based upon changes in the price of either F&M Bancorp common stock or Delta Bancorp common stock prior to the completion of the merger. As a result of any such changes in stock price, the aggregate market value of the shares of F&M Bancorp common stock that a Delta Bancorp shareholder is entitled to receive at the time that the merger is completed could vary significantly from the value of such shares on the date of this proxy statement/prospectus, the date of the annual meeting or the date on which such Delta Bancorp shareholder actually receives shares of F&M Bancorp common stock in the merger.

However, the merger agreement provides that if Delta Bancorp’s tangible equity (as defined in the merger agreement) falls below a pre-determined level (as provided in the merger agreement) then the exchange ratio of 0.031748 will be adjusted lower.

The cash payment of \$19.827 for each share of Delta Bancorp preferred stock is not subject to adjustment, regardless of any variation in the price of Delta Bancorp preferred stock from the value of such shares on the date of this proxy statement/prospectus, the date of the annual meeting or the date on which the Delta Bancorp shareholders actually receive the cash payment for their preferred stock in the merger, or based on the level of tangible equity.

Q: Why has the Board of Directors approved the merger?

A: The board of directors of Delta Bancorp has considered a number of available strategic options and, in the board’s opinion, none of these options, including remaining independent, is likely to create value for Delta Bancorp shareholders greater than that created by the proposed transaction with F&M Bancorp. Please read the sections entitled “Proposal 1 – The Merger—Background of the Merger” and “Proposal 1 – The Merger—Delta Bancorp’s Reasons for Merger and Recommendation of the Delta Bancorp Board of Directors” beginning on pages 36 and 38, respectively.

Q: When do you expect the merger to be completed?

A: Delta Bancorp and F&M Bancorp are working to complete the merger as soon as possible and expect to complete the merger in the fourth quarter of 2016. However, the merger is subject to various conditions, including shareholder and regulatory approvals. Subject to the various conditions and due to possible factors outside Delta Bancorp’s and F&M Bancorp’s control, it is possible that the merger will not be completed until a later time, or not at all. Therefore, there may be a substantial amount of time between the date of the annual meeting and the completion of the merger.

Q: What are the U.S. federal income tax consequences of the merger?

A: Crowe Horwath, LLP has issued a tax opinion to F&M Bancorp and Delta Bancorp that the merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code. As a “reorganization,” Delta Bancorp shareholders who own only common stock receiving F&M Bancorp common stock will not recognize gain or loss on the exchange of their Delta Bancorp common stock for F&M Bancorp common stock for U.S. federal income tax purposes, except with respect to any cash received in exchange for fractional shares. However, holders of Delta Bancorp common stock who also own preferred stock will recognize gain, but not loss upon the receipt of the cash payment in the merger. See “Proposal 1 – The Merger—Material Federal Income Tax Consequences” beginning on page 58.

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Q: What happens if I sell my shares after the record date for the annual meeting, but before the annual meeting?

A: If you transfer your shares after the record date for the annual meeting but before the date of the annual meeting, you will retain your right to vote at the annual meeting. However, you will not have the right to receive any shares of F&M Bancorp common stock in exchange for your former shares of Delta Bancorp common stock if and when the merger is completed. In order to receive shares of F&M Bancorp common stock in exchange for your shares of Delta Bancorp common stock, you must hold your Delta Bancorp common stock through the completion of the merger.

Q: Should I send in my certificates now?

A: No. You should NOT send in your stock certificates in the envelope provided for use in returning your proxy card. You will be sent written instructions for exchanging your stock certificates only if the merger agreement and the transactions contemplated therein are approved and completed.

Q: What should I do now?

A: You should do two things now:

First, after reading this proxy statement/prospectus, you should vote on the proposals. Simply indicate on your proxy card how you want to vote, then sign and mail your proxy card in the enclosed return envelope in time to be represented at the annual meeting.

Second, if you do not own your shares through a brokerage firm which holds your shares in street name, you should immediately locate and make sure you have possession of the certificates evidencing your Delta Bancorp common and preferred stock.

IF YOUR CERTIFICATE(S) FOR DELTA BANCORP COMMON STOCK IS/ARE LOST, STOLEN, OR DESTROYED, YOU ARE URGED TO IMMEDIATELY NOTIFY MR. WARREN E. WEGGE, DELTA BANCORP'S PRESIDENT & CEO, AT (209) 824-4030, SO THAT A "STOP TRANSFER" INSTRUCTION CAN BE PLACED ON YOUR LOST CERTIFICATE(S) TO PREVENT TRANSFER OF OWNERSHIP TO ANOTHER PERSON. DELTA BANCORP WILL SEND YOU THE FORMS TO PERMIT THE ISSUANCE OF A REPLACEMENT CERTIFICATE(S).

As soon as reasonably practicable after the effective time of the merger, the exchange agent for the merger, Computershare, Inc. ("Computershare"), will mail to each holder of record of a Delta Bancorp common and preferred stock certificate a letter of transmittal and instructions for use in effecting the surrender of the holder's certificate(s).

Q: Who can help answer my other questions?

A: If you have any additional questions about the merger agreement and the merger you may direct your questions to Warren Wegge, President and Chief Executive Officer, Delta National Bancorp, 611 North Main Street, Manteca CA 95336; phone: (209) 824-4030.

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to the shareholders of Delta National Bancorp. To more fully understand the merger and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement/prospectus, including the merger agreement and the other documents included with this proxy statement/prospectus. See “Where You Can Find More Information” beginning on page 99. Page references are included in this summary to direct the reader to a more complete description of the topics.

Throughout this proxy statement/prospectus, “F&M Bancorp” refers to Farmers & Merchants Bancorp,” “Delta Bancorp” refers to Delta National Bancorp and “Delta Bank” refers to Delta Bank, National Association. Also, throughout this proxy statement/prospectus, the Agreement and Plan of Reorganization, dated as of June 8, 2016 by and between F&M Bancorp and Delta Bancorp, is referred to as the “merger agreement.” The merger of Delta Bancorp with and into F&M Bancorp is referred to as the “merger.”

Parties to the Proposed Merger (Pages 68 and 69)

F&M Bancorp

Farmers & Merchants Bancorp is a California-based bank holding company for Farmers & Merchants Bank of Central California (“F&M Bank”), a California chartered commercial bank. F&M Bancorp’s principal asset is all of the capital stock of F&M Bank which is currently celebrating its 100th anniversary.

Although F&M Bancorp has initiated efforts to expand its geographic footprint into the East Bay of San Francisco, its primary service area remains the mid Central Valley of California. Through its network of 24 full-service banking offices, F&M Bancorp emphasizes personalized service along with a broad range of banking services to businesses and individuals located in the service areas of its offices. Although it focuses on marketing its services to small- and medium-sized businesses, a broad range of retail banking services are made available to the local consumer market. F&M Bancorp provides a broad complement of lending products, including commercial, real estate construction, agribusiness, consumer, credit card, real estate loans, and equipment leases. Commercial products include term loans, lines of credit and other working capital financing and letters of credit. Financing products for individuals include automobile financing, lines of credit, residential real estate, home improvement and home equity lines of credit.

As of June 30, 2016, F&M Bancorp had, on a consolidated basis, total assets of \$2.7 billion, total stockholders’ equity of \$265.3 million and total deposits of \$2.3 billion. Earnings for the six months ended June 30, 2016 were \$14.5 million compared to \$13.2 million for the first six months of 2015.

F&M Bancorp’s principal executive offices are located at 111 West Pine Street, Lodi, California 95241 and its telephone number is (209) 367-2300.

Financial statements and other important information relating to F&M Bancorp are incorporated by reference into this proxy statement/prospectus in accordance with the rules of the Securities and Exchange Commission (the “Commission”). See “Where You Can Find More Information” at page 99 for information on how you may obtain this information.

Delta Bancorp

Delta Bancorp is a California-based bank holding company for Delta Bank, a national banking association, headquartered in Manteca, California. Delta Bank received its national charter and commenced banking operations in 1973. It maintains four full-service banking offices in Stanislaus and San Joaquin counties in California’s Central

Valley. As of June 30, 2016, Delta Bancorp had, on a consolidated basis, total assets of \$109.1 million, total deposits of \$100.1 million and total stockholders' equity of \$8.6 million. Losses for the six months ended June 30, 2016 were \$280,000 compared to \$404,000 for the first six months of 2015.

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Delta Bancorp's principal executive offices are located at 611 North Main Street, Manteca, California 95336 and its telephone number is (209) 824-4000.

Date, Time and Location of the Delta Bancorp Annual Meeting (Page 32)

The Delta Bancorp annual meeting will be held on Monday, October 17, 2016, at 5:00 p.m. (local time), at Delta Bank, 611 North Main Street, Manteca, California 95336. At the Delta Bancorp annual meeting, Delta Bancorp shareholders will be asked to:

- approve the merger agreement providing for the merger of Delta Bancorp with and into F&M Bancorp, as described in more detail herein;
- elect five (5) directors;
- ratify Richardson & Company, LLP as Delta Bancorp's independent public accounting firm for 2016; and
- approve a proposal to adjourn or postpone the annual meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement.

Record Date and Voting Rights for the Delta Bancorp Annual Meeting (Page 32)

Each Delta Bancorp common and preferred shareholder is entitled to vote at the Delta Bancorp annual meeting if he or she owned shares of Delta Bancorp common or preferred stock as of the close of business on August 26, 2016, the record date for the Delta Bancorp annual meeting. Each Delta Bancorp common shareholder will have one vote at the annual meeting for each share of Delta Bancorp common stock that he or she owned on that date and each Delta Bancorp preferred shareholder will also have one vote at the annual meeting for each share of Delta Bancorp preferred stock that he or she owned on that date.

Delta Bancorp shareholders of record may vote by mail or by attending the Delta Bancorp annual meeting and voting in person. Each proxy returned to Delta Bancorp by a holder of Delta Bancorp common or preferred stock, which is not revoked, will be voted in accordance with the instructions indicated thereon. If no instructions are indicated on a signed Delta Bancorp proxy that is returned, such proxy will be voted "FOR" the approval of the merger agreement; "FOR" the election of the five (5) nominees named in this proxy statement/prospectus to the board of directors; "FOR" the ratification of the selection of Richardson & Company, LLP as Delta Bancorp's independent public accounting firm for the year ending December 31, 2016; and "FOR" the approval of any adjournment or postponement of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose.

Information Concerning Nominees for Directors (Page 90)

For information concerning the five nominees for directors of Delta Bancorp as well as Delta Bancorp's management, compensation, and related party transactions, see "Proposal 2 - Election of Directors" beginning on page 90.

The Merger (Page 36)

The merger agreement is attached to this proxy statement/prospectus as Appendix A, which is incorporated by reference herein. Please read the entire merger agreement. It is the legal document that governs the merger. Pursuant to the terms and conditions set forth in the merger agreement, Delta Bancorp will be acquired by F&M Bancorp in a transaction in which Delta Bancorp will merge with and into F&M Bancorp, with F&M Bancorp as the surviving institution. Immediately following the consummation of the merger, Delta Bank will be merged with and into F&M

Bank, with F&M Bank as the surviving institution. The parties expect to complete the mergers in the fourth quarter of 2016.

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Delta Bancorp's Reasons for Merger and Factors Considered by Delta Bancorp's Board of Directors (Page 38)

Based on Delta Bancorp's reasons for the merger described in this proxy statement/prospectus, including the fairness opinion of FIG Partners, LLC ("FIG"), an independent investment banking firm, the Delta Bancorp board of directors believes that the merger is fair to Delta Bancorp shareholders from a financial point of view and in their best interests, and unanimously recommends that Delta Bancorp shareholders vote "FOR" approval of the merger agreement. For a discussion of the circumstances surrounding the merger and the factors considered by Delta Bancorp's board of directors in approving the merger agreement, see "Proposal 1 - The Merger—Delta Bancorp's Reasons for the Merger and Recommendation of the Delta Bancorp Board of Directors" beginning on page 38.

FIG Provided a Fairness Opinion to Delta Bancorp's Board of Directors in connection with the Merger (Page 40)

FIG delivered its written opinion to Delta Bancorp's board of directors that, as of June 7, 2016, and based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualification on the review undertaken set forth in its opinion, the merger consideration to be paid by F&M Bancorp to Delta Bancorp shareholders in the merger pursuant to the merger agreement was fair, from a financial point of view, to Delta Bancorp and the holders of Delta Bancorp common and/or preferred stock.

The full text of the written opinion of FIG, dated June 7, 2016, which sets forth the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken is attached as Appendix B to this proxy statement/prospectus. Delta Bancorp's shareholders should read the opinion in its entirety. FIG provided its opinion for the information and assistance of Delta Bancorp's board of directors in connection with its consideration of the transaction. The FIG opinion does not address the underlying business decision to proceed with the merger and is not a recommendation as to how any holder of Delta Bancorp common or preferred stock should vote on matters to be considered at the Delta Bancorp annual meeting.

Delta Bancorp Common Shareholders Will Receive Shares of F&M Bancorp Common Stock for Each Share of Delta Bancorp Common Stock Exchanged in the Merger, except to the Extent that Cash Is Received in lieu of Fractional Shares (Page 44)

At the effective time of the merger, each outstanding share of Delta Bancorp common stock (subject to certain exceptions) will, by virtue of the merger and without any action on the part of a Delta Bancorp shareholder, be converted into the right to receive 0.031748 shares of F&M Bancorp common stock, subject to possible downward adjustment as described below. Cash will be paid in lieu of any fractional share interest.

Exchange Ratio and Possible Adjustment

The common stock exchange ratio of 0.031748 shares of F&M Bancorp common stock is subject to possible downward adjustment in the event that Delta Bancorp's tangible equity falls below the "minimum tangible equity amount" provided for in the merger agreement, as described below under "Proposal 1 - The Merger – The Merger Consideration" at page 44.

Fractional Shares

No fractional shares of F&M Bancorp common stock will be issued and, in lieu thereof, each holder of Delta Bancorp common stock who would otherwise be entitled to a fractional share interest will receive an amount in cash, without interest, determined by multiplying such fractional interest by \$545.00, rounded to the nearest whole cent.

Per Share Market Price and Dividend Information (Page 67)

Shares of F&M Bancorp common stock currently trade on the OTCQX market under the symbol "FMCB. Shares of Delta Bancorp common stock are quoted on the OTC Pink market under the symbol "DEBC."

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The following table sets forth the closing sale prices of (i) F&M Bancorp common stock as quoted on the OTCQX, and (ii) Delta Bancorp common stock as quoted on the OTC Pink market, on June 7, 2016, the last trading day before F&M Bancorp announced the merger, and on September 7, 2016, the last practicable trading day before the distribution of this proxy statement/prospectus. To illustrate the market value of the per share merger consideration to be received by Delta Bancorp's shareholders, the following table also presents the equivalent market values per share of Delta Bancorp common stock as of June 7, 2016 and September 7, 2016, which were determined by multiplying the closing price for the F&M Bancorp common stock on those dates by the exchange ratio of 0.031748 of a share of F&M Bancorp common stock for each share of Delta Bancorp common stock. The equivalent market value per share of Delta Bancorp common stock presented below does not reflect the possible downward adjustment if Delta Bancorp's minimum tangible equity amount is less than that specified in the merger agreement. See "Proposal 1 – The Merger—The Merger Consideration" beginning on page 44 for additional information about the merger consideration to be received by holders of Delta Bancorp common stock.

	F&M Bancorp Common Stock	Delta Bancorp Common Stock	Equivalent Market Value Per Share of Delta Bancorp
At June 7, 2016	\$ 600.00	\$ 7.90	\$ 19.05
At September 7, 2016	\$ 600.00	\$ 17.12	\$ 19.05

The market price of F&M Bancorp common stock and Delta Bancorp common stock will fluctuate prior to the date of Delta Bancorp's annual meeting and the date such Delta Bancorp shareholder receives the merger consideration. Therefore, the value of the stock to be received in the merger by the Delta Bancorp shareholders will not be known at the time the Delta Bancorp common shareholders vote on the merger agreement in connection with the merger. Delta Bancorp shareholders should obtain a current price quotation for the shares of F&M Bancorp common stock to update the implied value for a share of Delta Bancorp common stock.

Following the completion of the merger, and based on 792,387 shares of F&M Bancorp common stock outstanding as of September 7, 2016, the former Delta Bancorp common shareholders will own approximately 1.5% of the outstanding shares of F&M Bancorp common stock and the current shareholders of F&M Bancorp will own the remaining approximately 98.5% of the outstanding shares of F&M Bancorp common stock.

F&M Bancorp and, before it was formed, F&M Bank, have paid cash dividends for the past 82 consecutive years. F&M Bancorp pays semi-annual dividends and paid a total of \$12.90 in cash dividends for 2015. For the first half of 2016, F&M Bancorp declared a cash dividend of \$6.55 per share. It is anticipated that the cash dividend for the second half of 2016 will be declared on or about November 8, 2016, with a record date in December, and that Delta Bancorp shareholders who receive shares of F&M Bancorp common stock in the merger will receive such dividend. The decision regarding the amount and frequency of dividends is solely within the discretion of the F&M Bancorp board of directors.

There are limitations under Delaware corporate law as to the amounts of cash dividends that may be paid by F&M Bancorp. Additionally, if F&M Bancorp decided to defer interest on its 2003 subordinated debentures, it would be prohibited from paying cash dividends on the F&M Bancorp common stock. F&M Bancorp is dependent on cash dividends paid by F&M Bank to fund its cash dividend payments to its shareholders. There are also regulatory limitations on cash dividends that may be paid by F&M Bank under state and federal laws.

Delta Bancorp has not paid a cash dividend on its common stock since 2008. Pursuant to the merger agreement, Delta Bancorp has certain restrictions on the payment of dividends to its shareholders pending the closing of the merger. See

“Proposal 1 – The Merger—Business Pending the Merger” beginning on page 49.

Delta Bancorp Preferred Shareholders Will Receive Cash for Each Share of Delta Bancorp Preferred Stock Exchanged in the Merger (Page 44)

At the effective time of the merger, each outstanding share of Delta Bancorp preferred stock will, by virtue of the merger and without any action on the part of a Delta Bancorp preferred shareholder, be converted into the right to receive cash of \$19.827 per preferred share.

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Transmittal Materials (Page 45)

Within three business days of the closing of the merger, F&M's transfer agent, Computershare, will send to both common and preferred shareholders of Delta Bancorp an approved form of transmittal materials. These materials will contain detailed instructions on how to exchange a shareholder's shares along with materials to be completed and signed. After the transmittal materials have been received back by F&M Bancorp's transfer agent, the Delta Bancorp shareholders will be sent the F&M Bancorp common stock and/or cash to which they are entitled. If a Delta Bancorp shareholder holds shares in street name, he or she will receive information from his or her bank, broker or other nominee advising such Delta Bancorp shareholder of the process for receiving the F&M Bancorp common stock and/or cash to which he or she is entitled.

Each Delta Bancorp shareholder will need to surrender his or her Delta Bancorp common or preferred stock certificates, as the case may be, to receive the appropriate merger consideration. However, Delta Bancorp shareholders should not send any certificates now.

Material Federal Income Tax Consequences of the Merger (Page 58)

The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, which is referred to in this proxy statement/prospectus as the Code, and it is a condition to completion of the merger that F&M Bancorp and Delta Bancorp receive an opinion to that effect.

Assuming the merger qualifies as a reorganization, subject to the limitations and more detailed discussion set forth in "Proposal 1 – The Merger—Material Federal Income Tax Consequences" of this proxy statement/prospectus, a Delta Bancorp common shareholder that is a U.S. holder generally will not recognize gain or loss on such exchange, other than with respect to cash received in lieu of fractional shares of F&M Bancorp common stock. However, holders of Delta Bancorp common stock who also receive cash for their Delta Bancorp preferred stock will recognize gain, but not loss, for U.S. federal income tax purposes in an amount equal to the lesser of (1) the amount of cash received by such holder in the merger and (2) an amount equal to the excess, if any, of (a) the sum of the amount of cash plus the fair market value of the shares of F&M Bancorp common stock received in the merger, over (b) such holder's tax basis in the Delta Bancorp common stock and Delta Bancorp preferred stock. (The preceding sentence does not apply to any cash you receive in lieu of fractional F&M Bancorp common stock, the tax consequences of which are discussed above).

Tax matters are complicated, and the tax consequences of the merger to a particular Delta Bancorp shareholder will depend in part on such shareholder's individual circumstances and whether such shareholder is a common or a preferred shareholder or both. Accordingly, each Delta Bancorp shareholder is urged to consult his or her own tax advisor for a full understanding of the tax consequences of the merger to such shareholder, including the applicability and effect of federal, state, local and foreign income and other tax laws.

Approval of the Merger Agreement Requires the Affirmative Vote of Holders of (i) Two-Thirds of the Issued and Outstanding Shares of Delta Bancorp Preferred Stock Voting as a Separate Class and (ii) a Majority of the Issued and Outstanding Shares of Delta Bancorp Common and Preferred Stock Voting Together (Page 33)

The affirmative vote of the holders of two-thirds of the issued and outstanding shares of Delta Bancorp preferred stock voting as a class is necessary to approve the merger agreement on behalf of Delta Bancorp. The affirmative vote of the holders of a majority of the issued and outstanding shares of Delta Bancorp preferred and common stock voting together is also necessary to approve the merger agreement on behalf of Delta Bancorp. When the common and preferred shares vote together, each share of common and preferred stock is entitled to one vote. At the close of business on the record date, there were 380,303 shares of Delta Bancorp common stock outstanding held by 225 holders of record and there were 110,000 shares of Delta preferred stock outstanding held by two holders of record. If

a Delta Bancorp shareholder does not vote, it will have the same effect as a vote against the merger agreement.

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Management of Delta Bancorp Owns Shares Which May Be Voted at the Delta Bancorp Annual Meeting (Page 33)

As of the record date, the executive officers and directors of Delta Bancorp, as a group, held (i) 174,971 shares of Delta Bancorp common stock, or approximately 46.0% of the outstanding Delta Bancorp common stock, and 110,000 shares of Delta Bancorp preferred stock, or 100% of the outstanding Delta Bancorp preferred stock. These executive officers and directors have each entered into shareholder agreements with F&M Bancorp pursuant to which they have agreed, among other things, in their capacity as shareholders of Delta Bancorp, to vote their shares of Delta Bancorp common and preferred stock in favor of the merger agreement. The form of shareholder agreements are attached as Annexes A and B to the merger agreement, which is attached as Appendix A to this proxy statement/prospectus.

Delta Bancorp's Shareholders Have Dissenters' Rights (Page 63)

Under the California General Corporation Law ("CGCL"), holders of Delta Bancorp common and preferred stock have the right to demand appraisal of their shares of Delta Bancorp common or preferred stock, as the case may be, in connection with the merger and to receive, in lieu of the merger consideration, payment in cash, for the fair value of their shares of Delta Bancorp common or preferred stock. Any Delta Bancorp shareholder electing to exercise dissenters' rights must not have voted his, her or its shares of Delta Bancorp common or preferred stock "FOR" approval of the merger agreement and must specifically comply with the provisions of the CGCL in order to perfect the rights of dissent and appraisal. Strict compliance with the statutory procedures is required to perfect dissenters' rights. These procedures are described under "Proposal 1 – The Merger—Dissenters' Rights" in this proxy statement/prospectus, and a copy of the relevant provisions of the CGCL is attached as Appendix C to this proxy statement/prospectus.

Delta Bancorp is Prohibited from Soliciting Other Offers (Page 52)

Delta Bancorp has agreed that, while the merger is pending, it will not solicit, initiate, encourage or, subject to some limited exceptions, engage in discussions with any third party other than F&M Bancorp regarding extraordinary transactions such as a merger, business combination or sale of a material amount of its assets or capital stock.

F&M Bancorp and Delta Bancorp Must Meet Several Conditions to Complete the Merger (Page 46)

Completion of the merger depends on meeting a number of conditions, including the following:

· common and preferred shareholders of Delta Bancorp must approve the merger agreement;

F&M Bancorp and Delta Bancorp must receive all required regulatory approvals for the merger and the merger of their respective banking subsidiaries, no such approval may contain any condition that F&M Bancorp's board of directors reasonably determines in good faith would materially reduce the benefits of the merger to such a degree that, had such condition been known, F&M Bancorp would not have entered into the merger agreement and any waiting periods required by law must have passed;

· there must be no law, injunction or order enacted or issued preventing completion of the merger;

· the representations and warranties of each of F&M Bancorp and Delta Bancorp in the merger agreement must be true and correct, subject to the materiality standards provided in the merger agreement;

· F&M Bancorp and Delta Bancorp must have complied in all material respects with their respective obligations in the merger agreement;

· F&M Bancorp and Delta Bancorp must have received a written opinion that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

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as of the month end prior to the closing date, Delta Bank shall not have materially increased the costs of its deposits from the previous month end, shall have aggregate outstanding balance of total deposits equal to at least \$90 million and non-CD deposits equal to at least \$75 million, excluding brokered or wholesale sourced deposits;

as of the month end prior to the closing date, Delta Bancorp's tangible equity (as defined and subject to certain specified adjustments set forth in the merger agreement) must not be less than \$8.3 million, provided, that this minimum amount will be reduced by \$75,000 for each month end occurring after September 30;

dissenting shares must not represent 10% or more of the outstanding shares of Delta Bancorp common stock;

neither F&M Bancorp nor Delta Bancorp must have suffered any event which has had or could reasonably be expected to result in a material adverse change;

Warren Wegge, Theodore Poulos, Valerie Rossi and Toinette Rossi shall have entered into post-closing shareholder agreements with F&M Bancorp restricting their ability to sell or transfer the shares of F&M Bancorp common stock that they receive in the merger. The form of the post-closing shareholder agreement is attached as Annex F to the merger agreement, which is attached as Appendix A to this proxy statement/prospectus; and

as of the closing date, Delta Bancorp's allowance for loan losses shall be maintained in accordance with generally accepted accounting principles and its reserve for loan losses shall be not less than 1.38%.

Unless prohibited by law, the party benefitted by a condition could elect to waive such condition that has not been satisfied and complete the merger. The parties cannot be certain whether or when any of the conditions to the merger will be satisfied, or waived where permissible, or that the merger will be completed.

F&M Bancorp and Delta Bancorp Have Filed Regulatory Applications to Seek Regulatory Approvals to Complete the Merger (Page 49)

To complete the merger and the bank merger, the parties need the prior approval from (i) the Board of Governors of the Federal Reserve System (the "Federal Reserve"), (ii) the Federal Deposit Insurance Corporation (the "FDIC"), and (iii) the California Department of Business Oversight ("CA DBO"). The U.S. Department of Justice is also able to provide input into the approval process of federal banking agencies and will have between fifteen (15) and thirty (30) days following any approval of a federal banking agency to challenge the approval on antitrust grounds. F&M Bancorp and Delta Bancorp have filed all necessary applications with the FDIC and the CA DBO and have filed a waiver request with the Federal Reserve in accordance with its regulations in lieu of an application. The Federal Reserve waiver was granted on July 15, 2016. F&M Bancorp and Delta Bancorp have also received regulatory approvals from the FDIC and the CA DBO and neither of such approvals have conditions which are deemed to be detrimental to F&M Bancorp following completion of the merger.

F&M Bancorp and Delta Bancorp may Terminate the Merger Agreement (Page 55)

F&M Bancorp and Delta Bancorp can mutually agree at any time to terminate the merger agreement before completing the merger, even if shareholders of Delta Bancorp have already voted to approve it.

F&M Bancorp or Delta Bancorp can also terminate the merger agreement:

if the other party breaches any of its representations, warranties, covenants or agreements under the merger agreement that (i) cannot be or has not been cured within thirty (30) days of the giving of written notice to the breaching party or parties and (ii) would entitle the non breaching party or parties not to consummate the merger;

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if the merger is not consummated by November 30, 2016, except to the extent that the failure to consummate the merger by that date is due to (i) the terminating party's failure to perform or observe its covenants and agreements in the merger agreement, or (ii) the failure of any of the Delta Bancorp shareholders (if Delta Bancorp is the party seeking to terminate) to perform or observe their respective covenants under the relevant shareholder agreement;

if any required governmental approval of the merger has been denied by final non appealable action or an application for approval of the merger has been permanently withdrawn at the request of a governmental authority, provided that no party has the right to terminate the merger agreement if the denial is due to the terminating party's failure to perform or observe its covenants in the merger agreement; or

if the shareholders of Delta Bancorp do not approve the merger agreement.

In addition, F&M Bancorp may terminate the merger agreement at any time prior to the Delta Bancorp annual meeting if the board of directors of Delta Bancorp withdraws or modifies its recommendation to the Delta Bancorp shareholders that the merger agreement be approved in any way which is adverse to F&M Bancorp, or breaches its covenants requiring the calling and holding of the Delta Bancorp annual meeting to consider the merger agreement and prohibiting the solicitation of other offers. F&M Bancorp also may terminate the merger agreement if a third party commences a tender offer or exchange offer for 15% or more of the outstanding Delta Bancorp common stock and the board of directors of Delta Bancorp recommends that Delta Bancorp shareholders tender their shares in the offer or otherwise fails to recommend that they reject the offer within a specified period.

Termination Fee (Page 55)

Delta Bancorp and F&M Bancorp have agreed to cause payment to the other of a \$425,000 termination fee if the merger agreement is terminated under specified circumstances.

F&M Bancorp and Delta Bancorp May Amend the Merger Agreement (Page 54)

The parties may amend or supplement the merger agreement by written agreement at any time before the merger actually takes place; provided, however, no amendment may be made after the Delta Bancorp annual meeting which by law requires further approval by the shareholders of Delta Bancorp without obtaining such approval.

Delta Bancorp's Directors and Officers Have Some Interests in the Merger that Are in Addition to or Different than the Interests of Delta Bancorp Shareholders (Page 57)

Delta Bancorp directors and officers have interests in the merger as individuals that are in addition to, or different from, their interests as shareholders of Delta Bancorp, which are:

the agreement of F&M Bancorp to honor indemnification obligations of Delta Bancorp for a period of six (6) years, as well as to purchase liability insurance for Delta Bancorp's directors and officers for six (6) years following the merger, subject to the terms of the merger agreement;

Warren Wegge, Delta Bancorp's Chief Executive Officer and a director, and Valerie and Toinette Rossi, officers and directors of Delta Bancorp, shall have each entered into a consulting agreement with F&M Bank, to be effective as of the closing of the merger, and provide compensation to those individuals for continued provision of services to F&M Bank following the merger. The form of consulting agreements are attached as Annex F to the merger agreement, which is attached as Appendix A to this proxy statement/prospectus; and

The holders of the Delta Bancorp preferred stock, who are both directors of Delta Bancorp, will receive cash in exchange for their shares of Delta preferred stock.

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The board of directors of F&M Bancorp and Delta Bancorp were aware of the foregoing interests and considered them, among other matters, in approving the merger agreement and the merger.

Accounting Treatment of the Merger (Page 61)

The merger will be accounted for under the acquisition method of accounting under generally accepted accounting principles (“GAAP”).

Shareholders of F&M Bancorp and Delta Bancorp Have Different Rights (Page 81)

The rights of shareholders of F&M Bancorp differ from the rights of shareholders of Delta Bancorp. F&M Bancorp is incorporated under the laws of the State of Delaware and Delta Bancorp is incorporated under the laws of the State of California. The rights of holders of F&M Bancorp common stock are governed by the Delaware General Corporation Law (“DGCL”), as well as its amended and restated certificate of incorporation (“certificate of incorporation”) and amended and restated bylaws (“bylaws”), and the rights of holders of Delta Bancorp common stock are governed by the CGCL, as well as its articles of incorporation and bylaws. Shareholders of Delta Bancorp will receive shares of F&M Bancorp common stock in exchange for their shares of Delta Bancorp common stock and become shareholders of F&M Bancorp, and their rights as shareholders of F&M Bancorp will be governed by F&M Bancorp’s certificate of incorporation and bylaws and the DGCL.

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SELECTED HISTORICAL FINANCIAL DATA

The following tables present selected consolidated historical financial data of F&M Bancorp and selected consolidated historical financial data of Delta Bancorp.

Selected Consolidated Historical Financial Data of Farmers & Merchants Bancorp

	At or for the Six Months Ended June 30,		At or for the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(Dollars in thousands, except per share data)							
Balance Sheet							
Data:							
Investment securities	\$432,044	\$426,620	\$438,328	\$438,082	\$480,331	\$493,751	\$549,947
Total loans & leases, gross	2,068,107	1,818,642	1,996,359	1,712,244	1,388,236	1,246,902	1,163,078
Allowance for credit losses	44,118	39,037	41,523	35,401	34,274	34,217	33,017
Total assets	2,690,865	2,456,759	2,615,345	2,360,551	2,076,073	1,974,686	1,919,684
Total deposits	2,327,946	2,163,136	2,277,532	2,064,073	1,807,691	1,722,026	1,626,197
Total long term debt	10,310	10,310	10,310	10,310	10,310	10,310	10,310
Total liabilities	2,425,593	2,215,595	2,363,510	2,127,373	1,866,169	1,769,653	1,730,338
Total shareholders' equity	265,272	241,164	251,835	233,178	209,904	205,033	189,346
Income Statement Data:							
Interest income	\$48,340	\$43,049	\$90,075	\$81,521	\$76,531	\$78,491	\$82,354
Interest expense	1,871	1,627	3,325	2,813	2,891	5,140	7,974
Net interest income	46,469	41,422	86,750	78,708	73,640	73,351	74,380
Provision for credit losses	2,600	650	750	1,175	425	1,850	6,775
Net interest income after provision for credit losses	43,869	40,772	86,000	77,533	73,215	71,501	67,605
Noninterest income	5,596	7,490	14,575	14,329	15,937	14,110	12,274
Noninterest expense	26,756	26,979	56,259	51,366	50,870	48,277	45,028
Income before income tax	22,709	21,283	44,316	40,496	38,282	37,334	34,851
Income tax	8,205	8,131	16,924	15,094	14,221	13,985	12,642
Net income	\$14,504	\$13,152	\$27,392	\$25,402	\$24,061	\$23,349	\$22,209

Per Share Data:

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Net income per common share	\$18.31		\$16.74		\$34.82		\$32.64		\$30.93		\$29.99		\$28.49	
Common shares outstanding at end of period	792,387		785,782		790,787		784,082		777,882		777,882		779,424	
Weighted average common shares outstanding	792,141		785,575		786,582		778,358		777,882		778,648		779,424	
Book value per common share	\$334.78		\$306.91		\$318.46		\$297.39		\$269.84		\$263.61		\$242.93	
Dividends per common share	\$6.55		\$6.40		\$12.90		\$12.70		\$12.50		\$12.10		\$11.75	
Performance Ratios:														
Return on average assets	1.12	%	1.10	%	1.12	%	1.17	%	1.21	%	1.22	%	1.19	%
Return on average equity	11.13	%	10.94	%	11.21	%	11.43	%	11.54	%	11.62	%	12.10	%
Average equity to average assets	10.10	%	10.05	%	10.02	%	10.28	%	10.52	%	10.45	%	9.85	%
Equity to total assets at end of period	9.86	%	9.82	%	9.63	%	9.88	%	10.11	%	10.38	%	9.86	%
Net interest rate spread	3.85	%	3.76	%	3.80	%	3.94	%	4.05	%	4.13	%	4.26	%
Net interest margin	3.92	%	3.82	%	3.87	%	4.00	%	4.11	%	4.23	%	4.40	%
Efficiency ratio	51.39	%	55.16	%	55.52	%	55.21	%	56.79	%	55.20	%	51.96	%
Average interest-earnings assets to average interest-bearing liabilities	147.80	%	144.99	%	146.96	%	144.25	%	139.92	%	134.90	%	131.21	%
Asset Quality Ratios:														
Nonperforming loans & leases to total loans	0.11	%	0.16	%	0.11	%	0.13	%	0.19	%	0.74	%	0.36	%
Nonperforming assets, net as a percent of total assets	0.11	%	0.22	%	0.18	%	0.24	%	0.35	%	0.60	%	0.37	%
Net charge-offs to average total loans	0.00	%	(0.17	%)	(0.30	%)	0.00	%	0.03	%	0.05	%	0.51	%
Allowance for credit losses as a percent of total	2.13	%	2.15	%	2.07	%	2.06	%	2.46	%	2.74	%	2.83	%

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loans														
Allowance for credit losses as a percent of nonperforming loans	1952.12	%	1325.99	%	1925.93	%	1559.52	%	1320.26	%	368.00	%	780.91	%
Allowance for credit losses as a percentage of nonperforming assets	1451.73	%	724.92	%	903.26	%	635.68	%	475.57	%	288.70	%	461.65	%
Bank Capital Ratios (1):														
Tier 1 capital to adjusted total assets	10.52	%	10.34	%	10.30	%	10.56	%	11.02	%	10.86	%	10.22	%
Tier 1 capital to total risk-weighted assets	11.23	%	11.40	%	10.96	%	11.66	%	12.72	%	13.68	%	13.59	%
Total capital to total risk-weighted assets	12.49	%	12.66	%	12.22	%	12.92	%	13.98	%	14.94	%	14.85	%
Common equity tier 1 capital to total risk-weighted assets	11.23	%	11.40	%	10.96	%	N/A		N/A		N/A		N/A	
Bancorp Capital Ratios (1):														
Tier 1 capital to adjusted total assets	10.52	%	10.35	%	10.29	%	10.55	%	11.01	%	10.86	%	10.22	%
Tier 1 capital to total risk-weighted assets	11.24	%	11.41	%	10.97	%	11.67	%	12.74	%	13.69	%	13.60	%
Total capital to total risk-weighted assets	12.50	%	12.67	%	12.23	%	12.93	%	13.99	%	14.96	%	14.86	%
Common equity tier 1 capital to total risk-weighted assets	10.83	%	11.41	%	10.55	%	N/A		N/A		N/A		N/A	

(1) F&M Bancorp adopted the Basel III rule effective January 1, 2015. All ratios subsequent to the effective date reflect its adoption, while ratios for the prior periods reflect the previous capital rules under Basel I. The "Common Equity Tier 1" ratio did not exist prior to Basel III.

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Selected Consolidated Historical Financial Data of Delta National Bancorp

	At or for the Six Months Ended June 30,		At or for the Years Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(Dollars in thousands, except per share data)							
Balance Sheet Data:							
Investment securities	\$45,424	\$33,230	\$36,409	\$35,373	\$32,629	\$32,887	\$26,195
Total loans & leases, gross	40,831	38,026	42,436	35,429	32,384	39,485	51,092
Allowance for credit losses	588	548	588	602	766	853	1,405
Total assets	109,158	102,620	102,247	102,027	95,783	94,847	100,826
Total deposits	100,186	93,217	93,092	92,241	87,350	84,985	90,347
Total long term debt	-	-	-	-	-	-	-
Total shareholders' equity	8,594	9,062	8,862	9,434	8,141	9,579	10,178
Income Statement Data:							
Interest income	\$1,605	\$1,351	\$2,689	\$2,644	\$2,897	\$3,140	\$3,456
Interest expense	16	16	32	31	35	142	381
Net interest income	1,589	1,335	2,657	2,613	2,862	2,998	3,075
Provision for credit losses	(282)	-	-	(160)	(200)	75	-
Net interest income after provision for credit losses	1,871	1,335	2,657	2,773	3,062	2,923	3,075
Noninterest income	214	346	1,190	1,177	507	1,500	76
Noninterest expense	2,363	2,082	4,281	4,740	5,013	4,978	5,000
Income (loss) before income tax	(278)	(401)	(434)	(790)	(1,444)	(555)	(1,849)
Income tax	2	2	2	2	2	-	-
Net income (loss)	\$(280)	\$(403)	\$(436)	\$(792)	\$(1,446)	\$(555)	\$(1,849)
Per Share Data:							
Net income (loss) per common share	\$(0.74)	\$(1.06)	\$(1.15)	\$(2.08)	\$(3.80)	\$(1.46)	\$(4.86)
Common shares outstanding at period end	380,303	380,303	380,303	380,303	380,303	380,303	380,303
Weighted average common shares outstanding	380,303	380,303	380,303	380,303	380,303	380,303	380,303
Book value per common share	\$16.86	\$18.09	\$17.57	\$19.07	\$21.41	\$25.19	\$26.76
Performance Ratios:							
Return on average assets	(0.53 %)	(0.78 %)	(0.42 %)	(0.80 %)	(1.51 %)	(0.56 %)	(1.76 %)

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Return on average equity	(6.59 %)	(8.97 %)	(4.98 %)	(9.77 %)	(16.63 %)	(5.87 %)	(17.08 %)
Average equity to average assets	7.97 %	8.74 %	8.45 %	8.13 %	9.06 %	9.62 %	10.33 %
Equity to total assets at end of period	7.87 %	8.83 %	8.67 %	9.25 %	8.50 %	10.10 %	10.09 %
Net interest rate spread	3.53 %	3.34 %	3.13 %	3.23 %	3.93 %	4.09 %	4.01 %
Net interest margin	3.64 %	3.30 %	3.29 %	3.40 %	4.10 %	4.04 %	3.82 %
Efficiency ratio	131.06 %	123.85 %	111.28 %	125.07 %	148.80 %	110.67 %	158.68 %
Average interest-earnings assets to average interest-bearing liabilities	89.38 %	86.41 %	85.43 %	84.16 %	80.31 %	83.89 %	86.03 %
Asset Quality Ratios:							
Nonperforming loans to total loans	0.00 %	0.00 %	0.00 %	0.15 %	0.34 %	17.07 %	26.60 %
Nonperforming assets as a percentage of total assets	4.08 %	7.51 %	6.68 %	8.98 %	12.27 %	18.68 %	23.36 %
Net charge-offs (recoveries) to average total loans	(0.68 %)	0.00 %	0.04 %	0.01 %	(0.34 %)	1.41 %	0.33 %
Allowance for credit losses as a percentage of total loans	1.44 %	1.44 %	1.39 %	1.70 %	2.37 %	2.16 %	2.75 %
Allowance for credit losses as a percentage of nonperforming loans	N/A	N/A	N/A	1145.53 %	701.36 %	12.66 %	10.34 %
Allowance for credit losses as a percentage of nonperforming assets	13.21 %	7.11 %	8.61 %	6.57 %	6.52 %	4.82 %	5.97 %
Bank Capital Ratios (1):							
Tier 1 capital to adjusted total assets	7.98 %	8.61 %	8.49 %	9.15 %	8.10 %	9.50 %	9.48 %
Tier 1 capital to total risk-weighted assets	18.76 %	18.90 %	17.84 %	20.10 %	17.23 %	18.02 %	15.05 %
Total capital to total risk-weighted assets	20.01 %	20.13 %	19.08 %	21.36 %	18.49 %	19.28 %	16.31 %
Common equity tier 1 capital to total risk-weighted assets	18.76 %	18.90 %	17.84 %	N/A	N/A	N/A	N/A
Bancorp Capital Ratios (1):							

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Tier 1 capital to adjusted total assets	8.11	%	8.88	%	8.87	%	9.60	%	8.50	%	9.76	%	9.61	%
Tier 1 capital to total risk-weighted assets	19.06	%	19.23	%	18.13	%	20.53	%	17.55	%	18.37	%	15.59	%
Total capital to total risk-weighted assets	20.34	%	20.39	%	19.31	%	21.83	%	19.21	%	20.01	%	17.76	%
Common equity tier 1 capital to total risk-weighted assets	14.33	%	14.61	%	13.77	%	N/A		N/A		N/A		N/A	

(1) Delta Bancorp adopted the Basel III rule effective January 1, 2015. All ratios subsequent to the effective date reflect its adoption, while ratios for the prior periods reflect the previous capital rules under Basel I. The "Common Equity Tier 1" ratio did not exist prior to Basel III.

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SELECTED UNAUDITED CONDENSED PRO FORMA COMBINED
CONSOLIDATED FINANCIAL DATA

The following selected unaudited condensed pro forma combined financial information and explanatory notes show the impact on the historical financial positions and results of operations of F&M Bancorp and Delta Bancorp and have been prepared to illustrate the effects of the merger involving F&M Bancorp and Delta Bancorp under the acquisition method of accounting with F&M Bancorp treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of Delta Bancorp, as of the effective date of the merger, will be recorded by F&M Bancorp at their respective fair values and the expected deficit of the merger consideration over the fair value of Delta Bancorp's net assets will be recognized as a bargain purchase gain. The unaudited condensed pro forma combined balance sheet as of December 31, 2015 is presented as if the merger with Delta Bancorp had occurred on January 1, 2015. The unaudited condensed pro forma combined income statements for the fiscal year ended December 31, 2015 and the six months ended June 30, 2016 are presented as if the merger had occurred on January 1, 2015. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

The unaudited condensed pro forma combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The adjustments included in these unaudited pro forma condensed combined financial statements are preliminary and may be revised. The unaudited pro forma condensed combined financial information also does not consider the impact of any potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

As explained in more detail in the accompanying notes to the unaudited condensed pro forma combined financial information, the pro forma allocation of purchase price reflected in the unaudited condensed pro forma combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (1) Delta Bancorp's balance sheet through the effective time of the merger; (2) the aggregate value of merger consideration paid if the price of F&M Bancorp's stock varies from the assumed \$585 per share, which represents the closing price of Farmers & Merchants Bancorp common stock on June 30, 2016; (3) total merger related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (4) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The unaudited condensed pro forma combined financial information is provided for informational purposes only. The unaudited condensed pro forma combined financial information is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the merger been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited condensed pro forma combined financial information and related adjustments required management to make certain assumptions and estimates. The unaudited condensed pro forma combined financial statements should be read together with:

· The accompanying notes to the unaudited condensed pro forma combined financial information;

F&M Bancorp's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2015, included in F&M Bancorp's Annual Report on Form 10-K for the year ended December 31, 2015;

Delta Bancorp's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2015 included in Delta Bancorp's Audited Financial Statements for the year ended December 31, 2015;

F&M Bancorp's separate unaudited historical consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2016 included in F&M Bancorp's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015;

Delta Bancorp's separate unaudited historical consolidated financial statements and accompanying notes as of and for the six months ended September 30, 2016 included in this registration statement for the period ended June 30, 2016;

Other information pertaining to F&M Bancorp and Delta Bancorp contained in or incorporated by reference into this registration statement. See "-Selected Consolidated Historical Financial Data of Farmers & Merchants Bancorp" and "-Selected Consolidated Historical Financial Data of Delta National Bancorp" included elsewhere in this registration statement.

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	At or for the Six Months Ended June 30, 2016				At December 31, 2015	
	Historical Farmers & Merchants Bancorp	Historical Delta National Bancorp	Pro Forma Adjustments for Delta National Bancorp Combination	Pro Forma for Delta National Bancorp Acquisition	Pro Forma for Delta National Bancorp Acquisition	Note Reference
(Dollars in thousands, except per share data)						
Balance Sheet Data:						
Cash and cash equivalents	\$69,756	\$15,860	\$ (4,765)	\$80,851	\$61,658	E(1)
Investment securities	432,044	45,424	-	477,468	474,737	
Total loans & leases, gross	2,068,107	40,831	(588)	2,108,350	2,038,207	E(2)
Allowance for credit losses	(44,118)	(588)	588	(44,118)	(41,523)	E(3)
Other real estate	779	4,450	(1,500)	3,729	7,772	E(4)
Premises and equipment	26,055	1,746	2,500	30,301	30,836	E(4)
Goodwill	-	-	-	-	-	E(5)
Intangible assets	-	-	1,221	1,221	1,221	E(6)
Other assets	138,242	1,435	623	140,300	142,755	E(7)
Total assets	\$2,690,865	\$109,158	\$ (1,921)	\$2,798,102	\$2,715,663	
Total deposits	2,327,946	100,186	-	2,428,132	2,370,624	
Long term debt	10,310	-	-	10,310	10,310	
Other liabilities	87,337	378	-	87,715	75,960	
Total shareholders' equity	265,272	8,594	(1,921)	271,945	258,769	E(8)(9)
Total liabilities and shareholders' equity	\$2,690,865	\$109,158	\$ (1,921)	\$2,798,102	\$2,715,663	
Income Statement Data:						
Interest income	\$48,340	\$1,605	\$ 97	\$50,042	\$92,958	E(10)
Interest expense	1,871	16	-	1,887	3,357	
Net interest income	46,469	1,589	97	48,155	89,601	
Provision for credit losses	2,600	(282)	-	2,318	750	
Net interest income after provision for credit losses	43,869	1,871	97	45,837	88,851	
Noninterest income	5,596	214	1,143	6,953	17,177	E(11)
Noninterest expense	26,756	2,363	111	29,230	60,762	E(12)
Income before income taxes	22,709	(278)	1,129	23,560	45,266	
Income tax	8,205	2	474	8,681	17,507	
Net income (loss)	\$14,504	\$(280)	\$ 655	\$14,879	\$27,759	
Per Share Data:						
Net income per common share	\$18.31	\$(0.74)		\$18.50	\$34.76	
Common shares outstanding at end of period	792,387	380,303	11,945	804,332	802,732	
Weighted average common shares outstanding	792,141	380,303	11,945	804,086	798,527	E(13)
Book value per common share	\$334.78	\$16.86		\$338.10	\$322.36	

Performance Ratios:

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Return on average assets	1.12	%	(0.53	%)	1.08	%	1.07	%
Return on average equity	11.13	%	(6.59	%)	11.13	%	11.03	%

Bancorp Capital Ratios:

Tier 1 capital to adjusted total assets	10.52	%	8.11	%	10.35	%	10.15	%
Tier 1 capital to total risk-weighted assets	11.24	%	19.06	%	11.04	%	10.85	%
Total capital to total risk-weighted assets	12.50	%	20.34	%	12.26	%	12.07	%
Common equity tier 1 capital to total risk-weighted assets	10.83	%	14.33	%	10.64	%	10.44	%

The accompanying Notes are an integral part of the Selected Unaudited Condensed Pro Forma Combined Consolidated Financial Data. For purposes of the pro forma financial data presented in this registration statement it is estimated that 11,945 shares will be issued and \$70,305 will be paid in cash for fractional shares.

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Notes to Unaudited Condensed Pro Forma Combined Consolidated Financial Data

Note A - Basis of Presentation

The Unaudited Condensed Pro Forma Combined Consolidated Balance Sheet Data and explanatory notes as of June 30, 2016 and December 31, 2015 combine the historical Consolidated Statements of Financial Condition of F&M Bancorp and of Delta Bancorp as of such respective dates (i) on an actual historical basis and (ii) assume the completion of the merger at such respective dates, using the acquisition method of accounting and giving effect to the related pro forma adjustments described in the accompanying Notes.

The Unaudited Condensed Pro Forma Combined Consolidated Income Statement Data and explanatory notes for the six months ended June 30, 2016 and the year ended December 31, 2015 combine the historical Consolidated Statements of Operations of F&M Bancorp and of Delta Bancorp for such respective periods giving effect to the merger as if the merger had become effective at the beginning of the periods presented, using the acquisition method of accounting and giving effect to necessary pro forma adjustments.

Since the merger is recorded using the acquisition method of accounting, all loans are recorded at fair value, including adjustments for credit quality, and no allowance for credit losses is carried over to F&M Bancorp's balance sheet. In addition, certain anticipated nonrecurring costs associated with the merger such as professional fees, legal fees and conversion-related expenditures are not reflected in the Unaudited Condensed Pro Forma Combined Consolidated Income Statement Data.

While the recording of the acquired loans at their fair value will impact the prospective determination of the provision for credit losses and the allowance for credit losses, for purposes of the Unaudited Condensed Pro Forma Combined Consolidated Financial Data for the six months ended June 30, 2016 and the year ended December 31, 2015, F&M Bancorp assumed no adjustments to the historical amount of Delta Bancorp's provision for credit losses for the respective periods.

Note B - Accounting Policies and Financial Statement Classifications

The accounting policies of Delta Bancorp are in the process of being reviewed in detail by F&M Bancorp. Upon completion of such review, conforming adjustments or financial statement reclassifications may be determined.

Note C - Merger and Acquisition Integration Costs

In connection with the merger, the plan to integrate F&M Bancorp's and Delta Bancorp's operations is still being developed. The specific details of this plan will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment, and service contracts to determine where we may take advantage of redundancies. Certain decisions arising from these assessments may involve the involuntary termination of employees, changing information systems, canceling contracts with certain service providers, selling or otherwise disposing of certain premises, furniture and equipment. F&M Bancorp also expects to incur merger-related costs including professional fees, legal fees, system conversion costs and costs related to communications with customers and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature of the cost and in the period incurred.

Note D - Estimated Annual Cost Savings

F&M Bancorp expects to realize cost savings following the merger. These cost savings are not reflected in the pro forma financial information and there can be no assurance they will be achieved in the amount or manner currently contemplated.

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Note E - Pro Forma Adjustments

The following pro forma adjustments have been reflected in the Unaudited Condensed Pro Forma Combined Consolidated Financial Data. All adjustments are based on current assumptions and valuations, which are subject to change.

Adjustment includes: (a) the redemption of the \$2.18 million of outstanding Non-Cumulative Perpetual Preferred (1) Stock of Delta Bancorp, (b) \$2.5 million for estimated merger costs and (c) payment of \$70,305 for fractional shares.

(2) Adjustment made to reflect the preliminary estimated market value of loans held for investment, which includes an estimate of lifetime credit losses. Loans held for investment include net deferred costs and unearned discounts.

(3) Purchase accounting reversal of allowance for loan losses, which is not carried over.

(4) Estimated fair value adjustment for property.

(5) No goodwill will be recorded since the transaction will result in a bargain purchase gain based upon the difference between the consideration paid to Delta Bancorp's shareholders and the fair value of the net assets acquired. The bargain purchase gain is calculated as follows (dollars in thousands, except share and per share data) using F&M Bancorp stock price on June 30, 2016:

Note E Pro Forma
Adjustments - June 30,
2016

F&M Bancorp shares issued to Delta Bancorp common shareholders, net of fractional shares		11,945	
F&M Bancorp issue price per share	\$	585	
Value of stock consideration paid to Delta Bancorp common shareholders	\$	6,988	
Cash consideration for fractional shares to Delta Bancorp common shareholders		70	
Total pro forma aggregate merger consideration paid	\$	7,058	
Carrying value of Delta Bancorp net assets at June 30, 2016	\$	8,594	
Less Delta Bancorp preferred stock		(2,181)
	\$	6,413	

Fair value adjustment to assets and liabilities:			
Loans held for investment, net	\$	(588)
Allowance for loan loss		588	
Loans, net		-	
Premises and equipment		2,500	
Core deposit intangible		1,221	
Deposits		-	
Other real estate		(1,500)
Deferred tax effect of Delta Bank NOL recapture		500	
Deferred tax effect of adjustments		(933)
Total fair value adjustments			1,788
Fair value of net assets acquired on June 30, 2016			8,201
Bargain Purchase Gain	\$		1,143

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Note E Pro Forma Adjustments - December 31, 2015

Farmers & Merchants Bancorp shares issued to Delta Bancorp common shareholders, net of fractional shares		11,945
Farmers & Merchants Bancorp issue price per share		\$585
Value of stock consideration paid to Delta Bancorp common shareholders		\$6,988
Cash consideration for fractional shares to Delta Bancorp common shareholders		70
Total pro forma aggregate merger consideration paid		\$7,058
Carrying value of Delta Bancorp net assets at December 31, 2015		\$8,863
Less Delta National Bancorp preferred stock		(2,181)
		\$6,682
Fair value adjustment to assets and liabilities:		
Loans held for investment, net	\$(588)	
Allowance for loan loss	588	
Loans, net	-	
Premises and equipment	2,500	
Core deposit intangible	1,221	
Deposits	-	
Other real estate	(1,500)	
Deferred tax effect of Delta Bank NOL recapture	500	
Deferred tax effect of adjustments	(933)	
Total fair value adjustments		1,788
Fair value of net assets acquired on December 31, 2015		8,470
Bargain Purchase Gain		\$1,412

The total merger consideration may change due to changes in the fair market value of F&M Bancorp shares issued on the Closing Date.

- (6) Purchase accounting adjustment in recognition of the fair value of core deposit intangible assets, which is assumed to be 1.5% of non-time deposits.
- (7) Deferred tax asset created from (i) recapture of Delta Bank NOL and (ii) merger costs and fair market value adjustments.
- (8) The redemption of the \$2.18 million of outstanding Non-Cumulative Perpetual Preferred Stock of Delta Bancorp.
- (9) Purchase accounting reversal of common equity accounts, and adjustments to additional paid in capital includes consideration paid, merger costs, fair market value adjustments, tax adjustments and bargain purchase gain.
- (10) The accretion of fair value adjustments related to loans over an estimated five year life using the sum-of-the years digits method.
- (11) Bargain purchase gain attributable to Delta Bancorp's financial condition, to include continued losses and regulatory capital levels below those required under the Consent Order.

- (12) Adjustment includes amortization of core deposit intangibles over an estimated ten year life using the sum-of-the years digits method. Acquisition costs are not reflected as they are nonrecurring expenses. Acquisition costs incurred in the historical financial results are included in the pro-forma adjustments. These costs will be expensed by F&M Bancorp as required by GAAP.

(13) Adjustment reflects the elimination of the acquired entity's weighted average shares outstanding, offset by the issuance of common stock by acquirer for each outstanding share of acquired entity's common stock to be issued in connection with the merger. Neither F&M Bancorp nor Delta Bancorp has any stock options or other dilutive instruments outstanding which would require calculation of "Diluted Net Income Per Common Share".

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UNAUDITED COMPARATIVE PER SHARE DATA

The following tables set forth certain historical pro forma per share financial information for the F&M Bancorp common stock and the Delta Bancorp common stock. The pro forma per share information for the six month period ended June 30, 2016 gives effect to the merger as if the transaction had been effective on the last date of the period, in the case of book value data, and as if the transaction had been effective on the first day of the period, in the case of the income and dividend data. The pro forma per share information for the twelve month period ended December 31, 2015 gives effect to the merger as if the transaction had been effective on the last date of the period, in the case of book value data, and as if the transaction had been effective on the first day of the period, in the case of the income and dividend data. The pro forma information in the below tables assume that the merger is accounted for under the acquisition method of accounting. The information in the following tables is based on, and should be read together with, the historical consolidated financial information that F&M Bancorp has presented in its prior filings with the Commission and which are incorporated into this proxy statement/prospectus and the historical consolidated financial information of Delta Bancorp that, in the case of the audited financial statements, were previously delivered to Delta Bancorp shareholders, or in the case of the unaudited interim financial statements, are included herein. See "Where You Can Find More Information" beginning on page 99.

	At or for the Year Ended December 31, 2015	
Net Income Per Common Share:		
Historical Farmers & Merchants Bancorp		
Basic	\$ 34.82	(1)
Historical Delta National Bancorp		
Basic	\$ (1.15)
Pro forma for Delta National Bancorp Acquisition		
Basic	\$ 34.76	(2)
Dividends Declared Per Common Share:		
Historical Farmers & Merchants Bancorp		
	\$ 12.90	
Historical Delta National Bancorp		
	\$ -	
Pro forma for Delta National Bancorp Acquisition		
	\$ 12.71	
Book Value Per Common Share (at period end):		
Historical Farmers & Merchants Bancorp		
	\$ 318.46	
Historical Delta National Bancorp		
	\$ 17.57	
Pro forma for Delta National Bancorp Acquisition		
	\$ 322.36	

(1) Neither F&M Bancorp nor Delta Bancorp has any stock options or other dilutive instruments outstanding which would require calculation of "Diluted Net Income Per Common Share".

(2) Pro forma shares are calculated by adding together the historical shares reported by F&M Bancorp and historical shares reported by Delta Bancorp, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Delta Bancorp acquisition to equate to an estimated 11,945 of F&M Bancorp shares to be issued in connection with the Delta Bancorp acquisition based on the terms of the merger agreement.

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	At or for the Six Months Ended June 30, 2016
Net Income Per Common Share:	
Historical Farmers & Merchants Bancorp	
Basic	\$18.31 (1)
Historical Delta National Bancorp	
Basic	\$(0.74)
Pro forma for Delta National Bancorp Acquisition	
Basic	\$18.50
Dividends Declared Per Common Share:	
Historical Farmers & Merchants Bancorp	\$6.55
Historical Delta National Bancorp	\$-
Pro forma for Delta National Bancorp Acquisition	\$6.45
Book Value Per Common Share (at period end):	
Historical Farmers & Merchants Bancorp	\$334.78
Historical Delta National Bancorp	\$16.86
Pro forma for Delta National Bancorp Acquisition	\$338.10(2)

(1) Neither F&M Bancorp nor Delta 1 Bancorp has any stock options or other dilutive instruments outstanding which would require calculation of "Diluted Net Income Per Common Share".

(2) Pro forma shares are calculated by adding together the historical shares reported by F&M Bancorp and historical shares reported by Delta Bancorp, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Delta Bancorp acquisition to equate to an estimated 11,945 of F&M Bancorp shares to be issued in connection with the Delta Bancorp acquisition based on the terms of the merger agreement.

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RISK FACTORS

In addition to the other information included and incorporated by reference into this proxy statement/prospectus, including the matters addressed in the section entitled “Cautionary Statement Concerning Forward Looking Statements,” you should be aware of and carefully consider the following risks and uncertainties that are applicable to the merger agreement, the merger, F&M Bancorp and Delta Bancorp before deciding whether to vote for the approval of the merger agreement and the other transactions contemplated by the merger and the approval of the adjournment of the Delta Bancorp annual meeting, if necessary, to solicit additional proxies in favor of the proposal to approve the merger agreement and the other transactions contemplated by the merger agreement. You should also consider the risks relating to the businesses of F&M Bancorp and ownership of F&M Bancorp common stock contained in Part I, Item 1A of F&M Bancorp’s Annual Report on Form 10-K for the year ended December 31, 2015 that has been filed with the Commission, as well as any subsequent documents filed by F&M Bancorp with the Commission, which are incorporated into this proxy statement/prospectus by reference. See “Where You Can Find More Information.”

Because the market price of F&M Bancorp common stock may fluctuate, Delta Bancorp shareholders cannot be sure of the market value of the F&M Bancorp common stock that they will receive in the merger.

Under the terms of the merger agreement, the exchange ratio for the stock portion of the consideration to be issued in connection with the merger is fixed at 0.031748 shares of F&M Bancorp common stock for each share of Delta Bancorp common stock. The closing price of F&M Bancorp’s common stock as quoted on the OTCQX was \$600 on June 7, 2016, the trading date immediately preceding the day on which the merger was publicly announced. As of September 7, 2016, the closing price of F&M Bancorp common stock as reported on the OTCQX was \$600.00. The market price of F&M Bancorp common stock will vary from these prices, and will also vary from the price on the date that this document is mailed to Delta Bancorp shareholders or on the date of the annual meeting of shareholders of Delta Bancorp. The market price of F&M Bancorp common stock changes as a result of a variety of factors, including general market and economic conditions, changes in its business, operations and prospects, and regulatory considerations. Many of these factors are beyond the control of F&M Bancorp. As a result of the fixed 0.031748 exchange ratio, the market value of shares of F&M Bancorp common stock that a Delta Bancorp shareholder receives in the merger will decline correspondingly with declines in the market price of F&M Bancorp common stock prior to and as of the date merger consideration is exchanged. Because the date that the merger will be completed will be later than the date of the Delta Bancorp annual meeting, at the time of the annual meeting you will not know the exact market value of the F&M Bancorp common stock that you will receive for your shares of Delta Bancorp common stock upon completion of the merger.

The exchange ratio may be subject to downward adjustment based on losses suffered by Delta Bancorp prior to the closing date of the merger.

Pursuant to the agreement, Delta Bancorp is required to have a minimum tangible equity amount of not less than \$8.3 million as of the month end preceding the closing date of the merger; provided that such amount may be adjusted downward by \$75,000 for each month end occurring after September 30. Losses sustained by Delta Bancorp will reduce its minimum tangible equity. To the extent that there is a shortfall between the required tangible equity amount and the actual tangible equity amount, such shortfall will result in a downward adjustment to the exchange ratio. See “The Merger – The Merger Consideration.”

Directors and officers of Delta Bancorp have interests in the merger that are in addition to or different than the interests of Delta Bancorp shareholders.

Certain of Delta Bancorp’s officers and directors have conflicts of interest in the merger that may influence them to support or approve the merger without regard to the interests of Delta Bancorp shareholders. Specifically, each of Valerie Rossi, Toinette Rossi and Warren Wegge have agreed to enter into consulting agreements with F&M Bank

pursuant to which they have agreed to provide consulting services to F&M Bank following the merger, including but not limited to: (i) providing historical context regarding the products, customers and operations of Delta Bank; (ii) assisting with the integration of the operations of Delta Bank and F&M Bank; (iii) transitioning existing client relationships; and (iv) representing F&M Bank in the community. The consulting agreements with Valerie Rossi and Toinette Rossi provide for a term of 12 months, a compensation rate of \$4,000 per month, and the reimbursement of reasonable out-of-pocket expenses. The consulting agreement with Mr. Wegge provides for a month-to-month term, a compensation rate of \$20,000 per month, and the reimbursement of reasonable out-of-pocket expenses.

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In addition, F&M Bancorp has agreed to indemnify and hold harmless each present and former director, officer and employee of Delta Bancorp or Delta Bank against certain liabilities for a period of six years following the effective time of the merger and to allow Delta Bancorp to purchase “tail coverage” for a period of six years in order to continue providing liability insurance, including directors’ and officers’ liability insurance, to the officers and directors of Delta Bancorp and Delta Bank.

Directors Valerie Rossi and Toinette Rossi are the only holders of the Delta Bancorp preferred stock and pursuant to the merger agreement, will receive cash for their shares of preferred stock.

You should consider these interests in conjunction with the recommendation of the board of directors of Delta Bancorp with respect to approval of the merger. For a more detailed discussion of these interests, see the section entitled “Proposal 1 – The Merger—Interests of the Directors and Officers of Delta Bancorp in the Merger.”

The termination fee and the restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire Delta Bancorp.

Until the closing of the merger, with some limited exceptions, Delta Bancorp is prohibited from soliciting, initiating, encouraging or participating in any discussion of, or otherwise considering any inquiries or proposals that may lead to, an acquisition proposal, such as a merger or other business combination transaction, with any person other than F&M Bancorp. In addition, Delta Bancorp has agreed to pay a termination fee of \$425,000 plus documented out of pocket expense to F&M Bancorp in specified circumstances. See “Proposal 1 – The Merger—Termination Fee.” These provisions could discourage other companies from trying to acquire Delta Bancorp even though those other companies might be willing to offer greater value to Delta Bancorp shareholders than F&M Bancorp has offered in the merger. The payment of the termination fee could also have a material adverse effect on Delta Bancorp’s financial condition.

F&M Bancorp may fail to realize the anticipated benefits of the merger.

The success of the merger will depend on, among other things, F&M Bancorp’s ability to realize the anticipated revenue enhancements and efficiencies and to combine the businesses of F&M Bancorp and Delta Bancorp in a manner that does not materially disrupt the existing customer relationships of Delta Bancorp or result in decreased revenues resulting from any loss of customers and that permits growth opportunities to occur. If F&M Bancorp is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

F&M Bancorp and Delta Bancorp have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company’s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect F&M Bancorp’s ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies could also divert management attention and resources. These integration matters could have an adverse effect on each of F&M Bancorp and Delta Bancorp during the transition period and on the combined company following completion of the merger.

The market price of F&M Bancorp common stock after the merger may be affected by factors different from those affecting the shares of Delta Bancorp or F&M Bancorp currently.

Upon completion of the merger, holders of Delta Bancorp common stock will become holders of F&M Bancorp common stock. F&M Bancorp’s business differs from that of Delta Bancorp, and, accordingly, the financial condition and results of operations of the combined company and the market price of F&M Bancorp common stock after the completion of the merger may be affected by factors different from those currently affecting the financial condition and results of operations of Delta Bancorp.

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The fairness opinion received by Delta Bancorp's board of directors from FIG will not reflect any changes since the date of such opinion.

Changes in the operations and prospects of F&M Bancorp or Delta Bancorp, general market and economic conditions and other factors that may be beyond the control of F&M Bancorp and Delta Bancorp may alter the value of F&M Bancorp or Delta Bancorp or the market price for shares of F&M Bancorp common stock or Delta Bancorp common stock by the time the merger is completed. The fairness opinion delivered by FIG to the Delta Bancorp board of directors does not speak as of any date other than the date of such opinion, which was June 7, 2016. The merger agreement does not require that FIG's fairness opinion be updated as a condition to the completion of the merger, and Delta Bancorp does not intend to request that the fairness opinions be updated. FIG's fairness opinion is attached as Appendix B to this proxy statement/prospectus. For a description of FIG's opinion, see "Proposal 1 – The Merger—Opinion of Delta Bancorp's Financial Advisor." For a description of the other factors considered by Delta Bancorp's board of directors in determining to approve the merger, see "Proposal 1 – The Merger—Delta Bancorp's Reasons for the Merger and Recommendation of the Delta Bancorp Board of Directors."

The merger is subject to the receipt of approvals or waivers from regulatory authorities that may impose conditions that could have an adverse effect on F&M Bancorp.

Before the merger can be completed, various approvals or waivers must be obtained from bank regulatory authorities. These authorities may impose conditions on the completion of the merger or require changes to the terms of the merger. Although F&M Bancorp and Delta Bancorp do not currently expect that any such conditions or changes will be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger, imposing additional costs on, or limiting the revenues of F&M Bancorp following the merger or causing the merger transaction between F&M Bancorp and Delta Bancorp to terminate. See "Proposal 1 – The Merger—Bank Regulatory Approvals" and "Proposal 1 – The Merger—Conditions to the Merger."

The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may cause the prices of F&M Bancorp common stock and Delta Bancorp common stock to decline.

Consummation of the merger is subject to customary conditions to closing in addition to the receipt of the required regulatory approvals and approval of the Delta Bancorp shareholders of the merger. If any condition to the merger is not satisfied or waived, to the extent permitted by law, the merger will not be completed. In addition, F&M Bancorp and Delta Bancorp may terminate the merger agreement under certain circumstances even if the merger agreement is approved by Delta Bancorp shareholders, including if the merger has not been completed on or before November 30, 2016. If the merger is not completed, the respective trading prices of F&M Bancorp common stock on the OTCQX and of Delta Bancorp common stock on the OTC Pink market may decline to the extent that the current prices reflect a market assumption that the merger will be completed. In addition, neither company would realize any of the expected benefits of having completed the merger. For more information on closing conditions to the merger agreement, see "Proposal 1 – The Merger—Conditions to the Merger."

The unaudited condensed pro forma combined financial data included in this proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the merger.

The unaudited condensed pro forma combined financial data contained in this proxy statement/prospectus are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates and may not be an indication of the combined company's financial condition or results of operations following the merger for several reasons. The actual financial condition and results of operations of the combined company following the merger may not be consistent with, or evident from, these unaudited pro forma condensed combined financial data. In addition, the assumptions used in preparing the unaudited pro forma condensed combined financial data may not

prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company.

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The shares of F&M Bancorp common stock to be received by Delta Bancorp common shareholders as a result of the merger will have different rights than shares of Delta Bancorp common stock.

Upon completion of the merger, Delta Bancorp common shareholders will become F&M Bancorp shareholders and their rights as shareholders will be governed by the F&M Bancorp certificate of incorporation, the F&M Bancorp bylaws and the DGCL. The rights associated with Delta Bancorp common stock are different from the rights associated with F&M Bancorp common stock. See “Comparison of the Rights of Shareholders.”

CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING STATEMENTS

This proxy statement/prospectus contains or incorporates by reference a number of forward looking statements regarding the financial condition, results of operations, earnings outlook and business prospects of F&M Bancorp, F&M Bank, Delta Bancorp, and Delta Bank and the potential combined company and may include statements for the periods following the completion of the merger. Shareholders of Delta Bancorp can find many of these statements by looking for words such as “expects,” “projects,” “anticipates,” “believes,” “intends,” “estimates,” “strategy,” “plan,” “potential” and other similar expressions. Statements about the expected timing, completion and effects of the merger and all other statements in this proxy statement/prospectus or in the documents incorporated by reference in this proxy statement/prospectus other than historical facts constitute forward looking statements. Forward looking statements involve certain risks and uncertainties that are subject to change based on factors which are, in many instances, beyond F&M Bancorp’s or Delta Bancorp’s control. The ability of either F&M Bancorp or Delta Bancorp to predict results or actual effects of its plans and strategies, or those of the combined company, is inherently uncertain. Accordingly, actual results may differ materially from those expressed in, or implied by, the forward looking statements. Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward looking statements include, but are not limited to, those discussed under “Risk Factors” and those discussed in the filings of F&M Bancorp that are incorporated into this proxy statement/prospectus by reference, including the following:

- estimated revenue enhancements, costs savings and financial benefits from the merger may not be fully realized within the expected time frames or at all;
- deposit attrition, customer loss or revenue loss following the merger may occur or be greater than expected;
- that required regulatory, shareholder or other approvals are not obtained or other closing conditions are not satisfied in a timely manner or at all;
- reputational risks and the reaction of the companies’ respective customers to the merger;
- diversion of management time on merger related issues;
- competitive pressure among depository and other financial institutions may increase significantly;
- costs or difficulties related to the integration of the businesses of F&M Bancorp and Delta Bancorp may be greater than expected;
- changes in the interest rate environment may reduce interest margins;
- the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve;

general economic or business conditions either nationally or in the central valley of California, which was one of the hardest hit areas in the country during the recent recession. In many areas, housing prices declined as much as 60% and unemployment reached 15% or more. Although the economy has stabilized throughout most of the Central Valley, the economy remains sluggish;

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- legislation or changes in regulatory requirements may adversely affect the businesses in which F&M Bancorp and Delta Bancorp are engaged;
- continuing drought conditions in F&M Bancorp's service areas;
- changes which may affect agriculture and agricultural real estate values as approximately 35% of the total loan portfolio of F&M Bancorp consists of agricultural loans;
- adverse changes may occur in the securities markets; and
- competitors of F&M Bancorp may have greater financial resources and develop products and technology that enable those competitors to compete more successfully than F&M Bancorp.

Because these forward looking statements are subject to assumptions and uncertainties, F&M Bancorp's and Delta Bancorp's actual results may differ materially from those expressed or implied by these forward looking statements. These forward looking statements are predicated on the beliefs and assumptions of the management of each of F&M Bancorp and Delta Bancorp based on information known to them as of the date of this proxy statement/prospectus. Delta Bancorp and F&M Bancorp shareholders are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus.

All subsequent written and oral forward looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to F&M Bancorp or Delta Bancorp or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. F&M Bancorp and Delta Bancorp undertake no obligation to update these forward looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events, unless obligated to do so under the federal securities laws.

GENERAL INFORMATION

This document constitutes a proxy statement for, and is being furnished to all record holders of, Delta Bancorp in connection with the solicitation of proxies by the board of directors of Delta Bancorp to be used at an annual meeting of shareholders of Delta Bancorp to be held on Monday, October 17, 2016, and any adjournment or postponement of the Delta Bancorp annual meeting. The purposes of the Delta Bancorp annual meeting are to consider and vote upon a proposal to approve the merger agreement, to elect five directors until the earlier of (i) the consummation of the merger, or (ii) in the event the merger is not consummated and the merger agreement is terminated, until the next annual meeting of shareholders and until their successors are elected and have qualified, ratify the selection of Richardson & Company, LLP as Delta Bancorp's independent public accounting firm for the year ending December 31, 2016, and a proposal to adjourn the Delta Bancorp annual meeting to the extent necessary to solicit additional votes on the merger agreement.

F&M Bancorp has supplied all of the information contained or incorporated by reference herein relating to F&M Bancorp and F&M Bank, and Delta Bancorp has supplied all of the information contained herein relating to Delta Bancorp and Delta Bank.

THE DELTA BANCORP ANNUAL MEETING

General

This proxy statement/prospectus is being provided to Delta Bancorp shareholders as part of a solicitation of proxies by the board of directors for use at the annual meeting and at any adjournments or postponements of the annual meeting. This proxy statement/prospectus provides Delta Bancorp shareholders with important information about the annual meeting and should be read carefully in its entirety.

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Date, Time and Place of the Delta Bancorp Annual Meeting

The annual meeting will be held at Delta Bank, National Association, 611 North Main Street, Manteca, California 95336, on Monday, October 17, 2016, at 5:00 p.m. (local time).

Record Date for the Delta Bancorp Annual Meeting; Stock Entitled to Vote; Audited Financial Statements

Only holders of record of Delta Bancorp common stock and holders of record of Delta Bancorp preferred stock at the close of business on August 26, 2016, which is the record date for the annual meeting, are entitled to receive notice of and to vote at the meeting. On the record date, Delta Bancorp had 380,303 shares of its common stock and 110,000 shares of its preferred stock issued, outstanding and eligible to vote at the annual meeting. Each share of preferred stock is entitled to one vote per share on all matters on which holders of common stock are entitled to vote.

The audited financial statements of Delta Bancorp were previously mailed to shareholders as a part of Delta Bancorp's Annual Report. Shareholders requesting an additional copy of the Annual Report should contact Mr. Warren E. Wegge, Delta Bancorp's President & CEO, at the following address:

Delta National Bancorp
611 North Main Street
Manteca, CA 95336

or at the following telephone number:
(209) 824-4030

Quorum

A majority of the shares of Delta Bancorp common stock and preferred stock issued and outstanding and entitled to vote on the record date (taken together) must be represented in person or by proxy at the annual meeting in order for a quorum to be present for purposes of transacting business. Proxies marked as abstaining (including proxies containing broker non-votes) on any matter to be acted upon by shareholders will be treated as present at the meeting for purposes of determining a quorum but will not be counted as votes cast on such matters. If there is no quorum at the annual meeting, the affirmative vote of at least a majority of the votes present in person or represented by proxy and entitled to vote at the annual meeting may adjourn the annual meeting to another date.

Purposes of the Delta Bancorp Annual Meeting

The annual meeting is being held for the following purposes:

Approval of Merger Agreement. To approve the Agreement and Plan of Reorganization, dated June 8, 2016, and the transactions contemplated therein, pursuant to which Delta Bancorp will merge with and into F&M Bancorp, with F&M Bancorp surviving, followed thereafter by the merger of Delta Bank with and into F&M Bank, with F&M Bank surviving, as more fully described in this proxy statement/prospectus.

Election of Directors. To elect the following five (5) nominees to the Delta Bancorp board of directors to serve until 2. (i) the consummation of the merger, or (ii) in the event the merger is not consummated and the merger agreement is terminated, until the next annual meeting of shareholders and until their successors are elected and have qualified;

William B. Barringer
Theodore Poulos
Valerie Rossi
Warren E. Wegge
Toinette Rossi

3. Ratification of Auditors. To ratify the appointment of Richardson & Company, LLP as Delta Bancorp's independent public accounting firm for the year ending December 31, 2016.

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4. Adjournment. To approve the adjournment or postponement of the annual meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement.
5. Transaction of Other Business. To transact such other business as may properly come before the annual meeting and any adjournment or adjournments thereof.

Recommendation of the Delta Bancorp Board of Directors

The board of directors of Delta Bancorp recommends that the Delta Bancorp shareholders vote:

“FOR” the approval of the merger agreement;

“FOR” the election of the five (5) nominees named in this proxy statement/prospectus to the board of directors;

“FOR” the ratification of the selection of Richardson & Company, LLP as Delta Bancorp’s independent public accounting firm for the year ending December 31, 2016; and

“FOR” the approval of any adjournment or postponement of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible purpose.

The board of directors unanimously approved the merger agreement and the merger and determined that the merger is in the best interests of Delta Bancorp and its shareholders. See “Proposal 1 – The Merger— Background of the Transaction and Delta Bancorp’s Reasons for the Merger and Recommendation of the Delta Bancorp Board of Directors.”

In considering the recommendation of the board of directors with respect to the merger, Delta Bancorp shareholders should be aware that some of Delta Bancorp’s directors and executive officers have interests that are different from, or in addition to, the interests of Delta Bancorp shareholders more generally. See “Proposal 1 – The Merger—Interests of Directors and Officers in the Merger.”

Number of Votes; Cumulative Voting

Each holder of Delta Bancorp common stock and each holder of Delta Bancorp preferred stock is entitled to cast one vote, in person or by proxy, for each share held in that shareholder’s name on the books of Delta Bancorp as of the record date on all matters to be submitted to the vote of the shareholders, except that in connection with the election of directors, the shares are entitled to be voted cumulatively. Cumulative voting entitles a shareholder to give one nominee as many votes as is equal to the number of directors to be elected multiplied by the number of shares owned by such shareholder, or to distribute his or her votes on the same principle between two or more nominees as he or she deems appropriate. The five candidates receiving the highest number of votes will be elected to serve on the Board of Directors. If cumulative voting is declared at the Meeting, votes represented by proxies delivered pursuant to this proxy statement/prospectus may be cumulated in the discretion of the proxy holders, in accordance with the recommendations of the board of directors.

Votes Required; Voting Agreements

The votes required for each proposal are as follows:

Approval of merger agreement. The affirmative votes of the holders of (i) a majority of the outstanding shares of Delta Bancorp common stock and Delta Bancorp preferred stock, voting together, and (ii) 66-2/3% of the Delta Bancorp

preferred stock voting as a separate class, are required to approve this proposal.

Election of Directors. The five (5) nominees for director to the board of directors who receive the greatest number of votes will be elected.

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Ratification of Auditors. The affirmative vote of at least a majority of the outstanding shares of Delta Bancorp common stock and Delta Bancorp preferred stock, voting together, present in person or represented by proxy and entitled to vote at the annual meeting is required to approve this proposal.

Adjournment. The affirmative vote of at least a majority of the outstanding shares of Delta Bancorp common stock and Delta Bancorp preferred stock, voting together, present in person or represented by proxy and entitled to vote at the annual meeting is required to approve this proposal.

There are 380,303 shares of common stock and 110,000 shares of preferred stock outstanding and entitled to vote at the annual meeting. Therefore, the approval of the merger agreement will require the affirmative vote of at least 245,152 shares, on a combined basis, and at least 73,334 shares of the preferred stock.

As of the record date, Delta Bancorp's directors and executive officers owned: (i) 174,941 shares of Delta Bancorp common stock, representing 46.0% of Delta Bancorp's issued and outstanding shares of common stock; and (ii) 110,000 shares of Delta Bancorp preferred stock, representing 100.0% of the issued and outstanding shares of preferred stock. Therefore, on a combined basis, the directors and executive officers held 284,941 shares. Pursuant to voting agreements more fully described under the section "Proposal 1 – The Merger—Shareholder Agreements," each of Delta Bancorp's directors and executive officers has agreed to vote his or her shares of Delta Bancorp common stock and Delta Bancorp preferred stock "FOR" approval of the merger agreement. Copies of these forms of voting agreements are attached as Annexes A and B to the merger agreement which is attached to this proxy statement/prospectus as Appendix A and is incorporated herein by this reference.

Voting of Proxies

Submitting Proxies

Whether or not you plan to attend the annual meeting, we urge you to complete, sign and date the enclosed proxy card and to return it promptly in the envelope provided. Returning the proxy card will not affect your right to attend the annual meeting and vote. Instructions for all voting can be found on the proxy card included with this proxy statement/prospectus.

Delta Bancorp shareholders who hold their shares in "street name" (that is, through a broker or other nominee) must vote their shares through the broker or other nominee. You should receive a form from your broker or other nominee asking how you want to vote your shares. Follow the instructions on that form to give voting instructions to your broker or other nominee. You may also vote over the Internet or by telephone if your shares are held in street name and your broker or other nominee has made provisions for such voting.

If you properly fill in your proxy card and send it to us in time to vote, your "proxy holders" (the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy holders will vote your shares as recommended by the board of directors as follows:

"FOR" the approval of the merger agreement;

"FOR" the election of the five (5) nominees named in this proxy statement/prospectus to the board of directors;

"FOR" the ratification of the selection of Richardson & Company, LLP as Delta Bancorp's independent public accounting firm for the year ending December 31, 2016; and

"FOR" the approval of any adjournment or postponement of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes in favor of the merger agreement or for any other legally permissible

purpose.

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For the election of directors (Proposal No. 2), a shareholder may withhold his or her vote for all nominees, or may vote for all nominees with certain exceptions, and withhold authority to vote for any one or more of the nominees by marking the enclosed proxy card in the manner instructed on the proxy card. Unless authority to vote for the nominees is so withheld, the proxy holders will vote the proxies received by them for the election of the nominees listed on the proxy card as directors of Delta Bancorp. If any of the nominees should be unable or decline to serve, which is not now anticipated, the proxy holders will have discretionary authority to vote for a substitute who shall be designated by the present board of directors to fill the vacancy. In the event that additional persons are nominated for election as directors, the proxy holders intend to vote all of the proxies in such a manner, in accordance with the cumulative voting, if applicable, as will assure the election of as many of the nominees identified on the proxy card as possible. In such event, the specific nominees to be voted for will be determined by the proxy holders, in their sole discretion. See “—Number of Votes; Cumulative Voting” for a description of cumulative voting with respect to the election of directors.

If any other matter is presented, the proxy holders will vote in accordance with the recommendation of the board of directors. At the time this proxy statement/prospectus went to press, Delta Bancorp did not know of any other matters which needed to be acted on at the annual meeting, other than those discussed in this proxy statement/prospectus.

Revoking Proxies

Delta Bancorp shareholders who hold their shares in certificate form may revoke their proxies at any time before the time their proxies are voted at the annual meeting by: (i) filing with the Corporate Secretary of Delta Bancorp an instrument revoking it or a duly executed proxy bearing a later date; or (ii) appearing and voting in person at the annual meeting. Subject to such revocation, shares represented by a properly executed proxy received in time for the annual meeting will be voted by the proxy holders in accordance with the instructions on the proxy. **IF NO INSTRUCTION IS SPECIFIED WITH RESPECT TO A MATTER TO BE ACTED UPON, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED IN FAVOR OF THE PROPOSALS LISTED ON THE PROXY. IF ANY OTHER BUSINESS IS PROPERLY PRESENTED AT THE ANNUAL MEETING, THE PROXY WILL BE VOTED IN ACCORDANCE WITH THE RECOMMENDATIONS OF DELTA BANCORP’S BOARD OF DIRECTORS.**

Written notices of proxy revocations must be sent so that they will be received before the taking of the vote at the annual meeting as follows:

Delta National Bancorp
611 North Main Street
Manteca, California 95336
Attn: Toinette Rossi, Corporate Secretary

For Delta Bancorp shareholder who have instructed a broker or other nominee to vote their shares, they must follow directions received from their broker or other nominee in order to change those instructions.

Abstentions and Broker Non-Votes

Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine, but not on non-routine matters. At the annual meeting, only the ratification of the selection of Delta Bancorp’s auditors is a routine matter. Therefore, if a shareholder fails to instruct his or her broker or nominee as to how to vote his or her shares of Delta Bancorp stock, the broker or nominee may, in its discretion, vote the shares “FOR” ratification of the selection of Richardson & Company, LLP as Delta Bancorp’s independent auditors for the year ending December 31, 2016, which is considered a routine matter. **HOWEVER, THE BROKER OR OTHER NOMINEE MAY NOT VOTE THE SHARES “FOR” ANY OF THE OTHER DELTA**

BANCORP PROPOSALS SET FORTH IN THIS PROXY STATEMENT/PROSPECTUS, INCLUDING THE APPROVAL OF THE MERGER AGREEMENT AND THE MERGER, WITHOUT THE SHAREHOLDER'S SPECIFIC DIRECTION. A "broker non-vote" occurs when the broker does not vote on a particular proposal because the broker does not receive instructions from the beneficial owner and does not have discretionary authority. It is VERY IMPORTANT that you return the instructions to your broker or nominee. Therefore, if you wish to be represented you must vote by completing the information which is sent to you by your broker or nominee.

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Dissenters' Rights

Holders of Delta Bancorp common stock and holders of Delta Bancorp preferred stock will have dissenters' rights with respect to the proposal to approve the merger agreement. See "Proposal 1 – The Merger—Dissenters' Rights" for more information.

Other Matters

Delta Bancorp management is not aware of any other business that will be conducted at the annual meeting.

Solicitation of Proxies

The Board of Directors is soliciting the proxies for the annual meeting. Delta Bancorp will pay for the cost of solicitation of proxies. In addition to solicitation by mail, Delta Bancorp's and Delta Bank's directors, officers and employees may also solicit proxies from shareholders by telephone, facsimile, or in person. Delta Bancorp will not pay any additional compensation to these directors, officers or employees for these activities, but may reimburse them for reasonable out-of-pocket expenses.

If Delta Bancorp's management deems it advisable, the services of individuals or companies that are not regularly employed by Delta Bancorp may be used in connection with the solicitation of proxies. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries to send the proxy materials to beneficial owners. Delta Bancorp will, upon request, reimburse those brokerage houses and custodians for their reasonable expenses in so doing.

PROPOSAL 1 – THE MERGER

The following information describes the material aspects of the merger agreement and the merger. This description does not purport to be complete and is qualified in its entirety by reference to the appendices to this proxy statement/prospectus, including the merger agreement which is attached as Appendix A. Shareholders of Delta Bancorp should carefully read the appendices in their entirety.

Structure of the Merger

Pursuant to the terms and conditions set forth in the merger agreement, Delta Bancorp will be acquired by F&M Bancorp in a transaction in which Delta Bancorp will merge with and into F&M Bancorp, with F&M Bancorp as the surviving corporation. Immediately following the consummation of the merger, Delta Bank will be merged with and into F&M Bank, with F&M Bank as the surviving institution, which is referred to as the bank merger. Following consummation of the bank merger, F&M Bank intends to consolidate the Delta Bank branch office in Modesto into its Modesto office and, at some point in time in the next year, to consolidate Delta Bank's branch office in Turlock into its branch office in Turlock. Otherwise, F&M Bank intends to continue to operate all of the branches acquired from Delta Bank.

Following the consummation of the merger, F&M Bancorp's certificate of incorporation and bylaws as amended and as in effect immediately prior to the merger will continue as the governing corporate documents of F&M Bancorp. The directors and executive officers of F&M Bancorp immediately prior to the merger will continue as the directors and executive officers of F&M Bancorp after the merger, in each case, until their respective successors are duly elected or appointed and qualified

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Background of the Merger

Delta Bank was originally chartered in 1973 as a locally owned community bank serving consumers and businesses throughout the Central Valley of California. In October of 2008, Delta Bank entered into a Consent Order with the Office of the Comptroller of the Currency (the "OCC") requiring, among other things, certain minimum capital levels and problem loan management. Given the challenges faced during the recent recession, Delta Bancorp undertook a capital raise in December 2014, raising \$2.2 million of preferred stock from its two primary shareholders to address Delta Bank's immediate capital needs at the time, stemming from the elevated non-performing assets which peaked at over 25% of total assets at the end of the first quarter of 2010. During the recent recession, Delta Bank experienced accumulated losses in excess of \$12.2 million to date and, while asset quality has improved, Delta Bank continues to experience ongoing operating losses and the inability to achieve all of the requirements of its Consent Order, in particular the requirements to maintain its Tier 1 capital at 9% and to adopt and implement a written capital and strategic plan. Delta Bancorp has been consistently evaluating its strategic alternatives to preserve and enhance shareholder value. Furthermore, Delta Bancorp has occasionally been approached by various financial institutions to discuss the potential of combining organizations.

During July, 2015, Delta Bancorp contacted FIG to discuss representing it in exploring a potential sale or merger with several local community banking institutions which had approached Delta Bancorp regarding a potential combination, one of them being F&M Bancorp. On August 21, 2015, Delta Bancorp formally engaged FIG as its financial advisor and over the next couple of months, Delta Bancorp accumulated due diligence materials to be provided to potential suitors via an online data room. During that time, materials were prepared by FIG in order to facilitate obtaining expressions of interest from potential acquirors. In the weeks that followed, FIG contacted numerous banks to solicit interest in a possible acquisition. Over that time, 14 non-disclosure agreements were executed with various banking institutions deemed to be potential acquirors. A bid date of November 23, 2015 was set as the deadline for indications to be received outlining the terms under which potential acquires would proceed with a transaction. At that time, three indications were received, of which two were deemed superior. During the month of December, 2015, the Board of Delta Bancorp and FIG evaluated the bids and elected to proceed with further discussions involving the two superior indications. During January and February, 2016, additional due diligence materials were provided to the two parties and onsite due diligence was conducted.

On March 9, 2016, F&M Bancorp submitted a revised non-binding indication of interest for \$8.5 million, consisting of \$6.3 million in shares of F&M Bancorp common stock for all of the outstanding common shares of Delta Bancorp common stock and \$2.2 million in F&M Bancorp issued debt to be exchanged for all outstanding Delta Bancorp preferred stock. In its deliberations, the board of directors considered, among other things, the value of the F&M Bancorp common stock to be received in the transaction, the combined company's pro forma dividends, earnings from synergies and potential growth in book value, F&M Bancorp's fundamentally sound standalone business operations, as well as the fundamental stock performance of the respective companies on a standalone basis.

In its evaluation of the second interested party's initial bid, the Delta Bancorp board of directors determined that there were a number of issues relating to the second interested party and its bid, including but not limited to the fact that the second interested party was not a bank or financial institution holding company, the second interested party had no current bank management team, the second interested party had not applied for nor had it received approval to be a bank holding company and there were some doubts as to whether the second interested party had sufficient capital to consummate a merger transaction with Delta Bancorp on the terms set forth in its original bid. Nevertheless, the second interested party was afforded the opportunity to resubmit a bid to address certain of these issues, but it ultimately declined to do so. Therefore, based on the relative strength of the second interested party compared to F&M Bancorp as to the potential surety of being able to close the transaction in a timely manner, in addition to the perceived attractiveness of F&M Bancorp's common stock performance for its shareholders and its historic financial performance, the Delta Bancorp board of directors elected to pursue the F&M Bancorp offer.

On March 28, 2016, the Delta Bancorp board of directors and FIG met with principals of F&M Bancorp and its financial advisor, Keefe, Bruyette & Woods. As a result of the meeting, F&M Bancorp submitted a revised indication of interest dated March 29, 2016, for \$8.7 million, consisting of \$6.5 million in shares of F&M Bancorp common stock for all of the outstanding shares of Delta Bancorp's common stock and \$2.2 million in cash for the outstanding shares of Delta Bancorp's preferred stock. Delta Bancorp executed the letter of interest shortly thereafter which included a period of exclusivity during which to conduct due diligence and negotiate a definitive agreement.

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The initial draft of the merger agreement was received on April 22, 2016, and over the next several weeks details of the merger agreement were negotiated with the assistance of FIG and legal counsel and participation by various members of the board of directors, including a meeting between the parties and their legal counsel on May 11 to discuss open issues in the merger agreement. In addition, during that period reverse due diligence of F&M Bancorp was performed. On June 7, 2016, Delta Bancorp's board of directors met to consider the merger agreement and the merger. Legal counsel provided an explanation of the terms of the final merger agreement and the ancillary documents attached as annexes to the merger agreement. FIG provided its opinion to the board of directors that the consideration to be received by the Delta Bancorp common and preferred shareholders was fair from a financial point of view. After those presentations and further discussion of the terms of the merger, the board of directors then approved the merger agreement and authorized its execution. See “—Delta Bancorp's Reasons for the Merger and Recommendation of the Delta Bancorp Board of Directors.” F&M Bancorp's board of directors met the next morning and unanimously approved the merger agreement. The merger agreement was executed by the parties on the afternoon of June 8, 2016 and the transaction was thereafter announced.

Delta Bancorp's Reasons for the Merger and Recommendation of the Delta Bancorp Board of Directors

In reaching its decision to adopt and approve the merger agreement and recommend the merger to its shareholders, Delta Bancorp's board of directors consulted with Delta Bancorp's management and its financial and legal advisors and considered a number of factors, including, without limitation, the following material factors:

The board's knowledge of and deliberation about the respective business, operations, financial condition, earnings and prospects of each of Delta Bancorp and F&M Bancorp, as well as the projected financial results and expectations relating to the proposed merger with F&M Bancorp;

The Board's knowledge of and deliberations about the current environment in the financial services industry, including economic conditions, continued consolidation, increased complexity and regulatory burdens, evolving trends in technology and increasing competition, current financial market conditions, and the likely effects of these factors on the respective growth, development, profitability and strategic options of Delta Bancorp and F&M Bancorp;

The review undertaken by Delta Bancorp's board of directors and management, with the assistance of Delta Bancorp's advisors, with respect to strategic challenges and alternatives available to Delta Bancorp if it remained an independent community bank, including the challenges of complying with the OCC's Consent Order;

The financial terms of the merger, including the relationship of the merger consideration to the book value of Delta Bancorp's common stock and preferred stock, the operating losses of Delta Bancorp, and the premium over Delta Bancorp's recent common stock price to be received by the holders of Delta Bancorp's common stock;

The financial analysis and other information presented by representatives of FIG to Delta Bancorp's board of directors with respect to the merger and the opinion delivered to Delta Bancorp's board of directors by FIG to the effect that, as of the date of that opinion, the merger consideration was fair to the holders of Delta Bancorp common stock and preferred stock from a financial point of view;

The prices paid and the terms of other recent comparable combinations of banks and bank holding companies;

The terms of the merger agreement, and the presentation by Delta Bancorp's legal counsel, Horgan, Rosen, Beckham & Coren, L.L.P., regarding the terms of the merger and the merger agreement;

The advantages of being part of a larger banking entity, including the potential for operating efficiencies and the ability of a larger institution to compete in the current banking environment and to leverage overhead costs;

The results of the process undertaken by Delta Bancorp's board of directors, with the assistance of FIG, to evaluate potential merger partners;

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- The prospect of Delta Bancorp’s shareholders becoming shareholders of a company with a larger shareholder base, resulting in a much more liquid common stock;
 - The capital position of the combined company that would result from the transaction;
 - The complementary aspects of the Delta Bancorp and F&M Bancorp businesses, including products offered and lines of business, business culture, customer focus, geographic coverage, and compatibility of the companies’ management and operating styles;
 - The board of director’s belief that the proposed merger generally would be a tax-free transaction to holders of Delta Bancorp common stock with respect to the F&M Bancorp common stock to be exchanged for Delta Bancorp common stock in the merger;
 - The ability of Delta Bancorp’s board of directors to terminate the merger agreement, subject to certain conditions, to accept a superior proposal from a third party; and
 - The board of director’s determination as to the likelihood that the regulatory and other approvals needed to complete the merger would be obtained without unacceptable conditions.
- Delta Bancorp’s board of directors also considered a number of potential risks and uncertainties associated with the merger in connection with its deliberation about the proposed transaction, including, without limitation, the following:
- The potential risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the merger;
 - The challenges of integrating Delta Bancorp’s business operations and employees with those of F&M Bancorp;
 - The risk that the benefits and cost savings sought in the merger would not be fully realized;
 - The possibility that the merger could be announced but not consummated, and the possibility that Delta Bancorp could lose customers, business and employees as a result of announcing the transaction;
 - The merger agreement provisions requiring Delta Bancorp to conduct its business in the ordinary course and the other restrictions on the conduct of Delta Bancorp’s business prior to completion of the merger, which may delay or prevent Delta Bancorp from undertaking business opportunities that may arise pending completion of the merger;
 - The provisions of the merger agreement restricting Delta Bancorp’s solicitation of third-party acquisition proposals and providing for the payment of a termination fee in certain circumstances, which Delta Bancorp’s board of directors understood, while potentially limiting the willingness of a third party to propose a competing business combination with Delta Bancorp, were a condition to F&M Bancorp’s willingness to enter into the merger agreement;
 - The fact that Delta Bancorp’s board of directors and executive officers have interests in the merger that are different from, or in addition to, their interests as Delta Bancorp shareholders, which have the potential to influence such directors’ and officers’ views and actions in connection with the merger. For a more detailed discussion of these interests, see the section entitled “— Interests of Directors and Officers in the Merger;” and
 - The possibility that the required regulatory and other approvals necessary for consummation of the merger might not be obtained.

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The foregoing recitation of factors considered by Delta Bancorp's board of directors as part of its deliberations is not intended to be exhaustive, but is believed to include substantially all material factors considered by Delta Bancorp's board of directors. In view of the wide variety of factors considered and the complexity of these matters, Delta Bancorp's board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, the individual members of Delta Bancorp's board of directors may have given different weight to different factors. Delta Bancorp's board of directors conducted an analysis of the factors described above and engaged in thorough discussions among themselves and had discussions, and questioned, Delta Bancorp's management and financial and legal advisors.

Delta Bancorp's board of directors concluded that the factors considered and the totality of the information presented were favorable to, and supported, its determination to approve and adopt the merger agreement and recommend that Delta Bancorp shareholders approve the merger agreement and the merger.

Opinion of Delta Bancorp's Financial Advisor

FIG was engaged by Delta Bancorp to act as its financial advisor in connection with a possible business combination with another financial institution and to advise the board of directors as to the fairness of the consideration, from a financial perspective, to be paid in the proposed transaction.

FIG is a nationally recognized investment banking firm and, as part of its investment banking business, is continually engaged in the valuation of financial institutions in connection with mergers and acquisitions, private placements and valuations for other corporate purposes. As a specialist in securities of financial institutions, FIG has experience in, and knowledge of, banks, thrifts and bank and thrift holding companies. Neither FIG nor any of its affiliates has a material financial interest in Delta Bancorp or F&M Bancorp. FIG was selected to advise Delta Bancorp's board of directors based upon its familiarity with California financial institutions and knowledge of the banking industry as a whole.

FIG performed certain analyses described herein and presented the range of values for Delta Bancorp, resulting from such analyses, to the Delta Bancorp board of directors in connection with its advice as to the fairness of the consideration to be paid by F&M Bancorp. In forming its opinion as to the fairness of the proposed consideration to be received by Delta Bancorp's shareholders, FIG also took into consideration the results of the limited auction process for the potential sale of Delta Bancorp in which FIG contacted a total of 43 financial institutions regarding their potential interest in an acquisition of Delta Bancorp and F&M Bancorp's offer was ultimately the highest indication received.

FIG acted as financial advisor to Delta Bancorp in connection with the proposed merger and participated in certain of the negotiations leading to the final merger agreement. At their June 7, 2016 meeting the Delta Bancorp board of directors considered and approved the merger agreement and authorized its execution. At that meeting FIG delivered to the board of directors a verbal opinion that the consideration to be received by Delta Bancorp's shareholders was fair from a financial perspective, which verbal opinion was subsequently delivered in written form with accompanying financial analyses performed by FIG prior to the execution of the merger agreement on June 8, 2016. In requesting FIG's advice and opinion, no limitations were imposed by the Delta Bancorp board of directors upon FIG with respect to the investigations made or procedures followed by it in rendering its opinion. The full text of the fairness opinion of FIG, dated June 7, 2016, which describes the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached hereto as Appendix B and is incorporated herein by this reference. Delta Bancorp shareholders should read the fairness opinion in its entirety.

In arriving at its fairness opinion, FIG reviewed certain publicly available business and financial information relating to Delta Bancorp and F&M Bancorp. FIG considered certain financial and stock market data of Delta Bancorp and F&M Bancorp, compared that data with similar data for certain other publicly-held banks and bank holding companies

and considered the financial terms of certain other comparable bank transactions that had recently been effected. FIG also considered such other information, financial studies, analyses and investigations, and financial, economic and market criteria that it deemed relevant. In connection with its review, FIG did not independently verify the foregoing information and relied on such information as being complete and accurate in all material respects. Financial forecasts prepared by FIG were based on assumptions believed by FIG to be reasonable and to reflect currently available information. FIG did not make an independent evaluation or appraisal of the assets of the Delta Bancorp or F&M Bancorp.

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For purposes of its fairness opinion and in connection with the review of the proposed merger, FIG, among other things:

- reviewed the merger agreement;
- reviewed certain historical publicly available business and financial information concerning Delta Bancorp including, among other things, quarterly and annual reports filed by Delta Bancorp and Delta Bank with the Federal Reserve and the Federal Deposit Insurance Corporation;
- reviewed certain publicly available business and financial information concerning F&M Bancorp, including forms 10-K, 10-Q, 8-K and Proxy Statements filed with the Commission for 2014, 2015 and year to date 2016, as well as forms FRY9-C of similar dates filed with the Federal Reserve;
- reviewed certain internal financial statements and other financial and operating data concerning Delta Bancorp as well as analyzed pro forma regulatory capital levels;
- analyzed certain financial estimates and budgeted information prepared by Delta Bancorp's management;
- held discussions with members of the senior managements of Delta Bancorp and F&M Bancorp for the purpose of reviewing the future prospects of the two companies, including their respective businesses, earnings, assets, and liabilities and credit quality;
- reviewed the terms of recent merger and acquisition transactions, to the extent publicly available, involving banks, thrifts and bank and thrift holding companies that we considered and deemed relevant;
- reviewed trading activity in F&M Bancorp common stock over the last twelve months relative to price and volume;
- reviewed F&M Bancorp's financial performance and current valuation metrics relative to other publicly traded banks which were deemed similar to F&M Bancorp; and
- performed such other analyses and considered such other factors as we have deemed relevant and appropriate.

FIG took into account its assessment of general economic, market and financial conditions and our experience in other transactions as well as its knowledge of the banking industry and its general experience in the valuation of financial institutions and their securities.

In addition, in forming their opinion as to the fairness of the proposed consideration to be received by Delta Bancorp's shareholders FIG considered the following concomitant factors:

- the results of the limited auction process which was conducted on behalf of Delta Bancorp in which 43 potential acquirers were contacted regarding interest in an acquisition and F&M Bancorp's proposed offer was the highest received;
- the fact that Delta Bancorp is losing over \$60 thousand per month with no current prospects of achieving break even or reaching profitability;
- the fact that Delta Bancorp's subsidiary, Delta Bank, has been operating under a Consent Order since October 2008;

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·the fact that Delta Bancorp’s audited financial statements continue to contain a “Going Concern” qualification;

·Delta Bancorp’s continued elevated levels of OREO; and

the pro forma earnings per share, dividends and tangible book value of the F&M Bancorp common stock to be received in the merger as compared to Delta Bancorp’s current and projected standalone per share values.

In rendering its fairness opinion, FIG assumed, without independent verification, the accuracy and completeness of the financial and other information and representations contained in the materials provided to them by Delta Bancorp and F&M Bancorp and in the discussions with the two companies’ management teams. FIG did not independently verify the accuracy or completeness of any such information. In that regard, FIG assumed that the financial estimates, and estimates and allowances regarding under-performing and nonperforming assets and net charge-offs, have been reasonably prepared on a basis reflecting the best currently available information, judgments and estimates of Delta Bancorp and F&M Bancorp and that such estimates will be realized in the amounts and at the times contemplated thereby. FIG are not experts in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto and have assumed and relied upon managements’ estimates and projections. FIG was not retained to and did not conduct a physical inspection of any of the properties or facilities of Delta Bancorp or F&M Bancorp or their respective subsidiaries. In addition, FIG did not review individual credit files nor did they make an independent evaluation or appraisal of the assets and liabilities of Delta Bancorp or F&M Bancorp nor any of their respective subsidiaries and FIG was not furnished with any such evaluations or appraisals. FIG’s fairness opinion was necessarily based on economic, market, and other conditions as in effect on, and the information made available to FIG as of, the date of its fairness opinion.

FIG reviewed and tabulated statistical data regarding the loan portfolio, securities portfolio and other performance ratios and statistics of Delta Bancorp. Financial projections were prepared and analyzed as well as other financial studies, analyses and investigations as deemed relevant for the purposes of the opinion. In review of the aforementioned information, FIG took into account its assessment of general market and financial conditions, its experience in other similar transactions, and its knowledge of the banking industry generally.

In connection with rendering the fairness opinion and preparing its written and oral presentation to Delta Bancorp’s board of directors, FIG performed a variety of financial analyses, including those summarized herein. The summary does not purport to be a complete description of the analyses performed by FIG in this regard. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to summary description. Accordingly, notwithstanding the separate factors summarized below, FIG believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors, could create an incomplete view of the evaluation process underlying its opinion. In performing its analyses, FIG made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond Delta Bancorp’s or F&M Bancorp’s control. The analyses performed by FIG are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the values of businesses do not purport to be appraisals or to reflect the process by which businesses actually may be sold.

In the proposed merger, Delta Bancorp’s shareholders will receive in aggregate 12,074 shares of F&M Bancorp common stock for all of the issued and outstanding shares of Delta Bancorp’s common stock and \$2,181,000 in cash for all the issued and outstanding shares of Delta Bancorp’s preferred stock (collectively, the “Merger Consideration”), representing a total nominal aggregate consideration of \$9,908,360 based on F&M Bancorp’s per share closing stock price of \$640.00 on June 6, 2016. F&M Bancorp’s common stock is thinly traded and as such is subject to significant price movements on little volume. Therefore, in evaluating the nominal value of the Merger Consideration FIG also

analyzed the volume weighted average closing price (the "VWAP") of F&M Bancorp common stock since May 1, 2016, of \$548.73, which resulted in nominal aggregate and per common share consideration of \$8,806,366 and \$17.42 respectively. Delta Bancorp's common shareholders will receive 0.031748 F&M Bancorp common shares per Delta Bancorp common share and Delta Bancorp's preferred shareholders will receive an aggregate of \$2.181 million in cash, subject to adjustment and subject to the terms and conditions as further described and set forth in the merger agreement.

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The aggregate Merger Consideration represents a multiple of Delta Bancorp's March 31, 2016 stated and tangible common equity of 99%. In addition, the proposed consideration to be received by the Delta Bancorp shareholders represents a 0% premium over Delta Bancorp's March 31, 2016 tangible equity as a percentage of Delta Bancorp's March 31, 2016 core deposits and the proposed per share consideration represents a premium of 120.5% over Delta Bancorp's last reported trading price of \$7.90 per share.

Acquisition Comparison Analysis: In performing its analysis, FIG reviewed two groups of comparable merger transactions. The purpose of the analysis was to obtain an evaluation range of Delta Bancorp based on those comparable bank acquisition transactions. The first group of comparable merger transactions was bank transactions in California announced since January 1, 2012 where the selling banks were under \$400 million in total assets, had a negative return on average assets, and had non-performing assets to total assets over 0.50%, for which transaction pricing information was available and 100% of equity was acquired (the "California Comparable Group"). Median multiples of book value, tangible book value, earnings, and the premium paid over the seller's tangible equity as a percentage of the acquired institution's core deposits by the California Comparable Group transactions were utilized in obtaining a range for the acquisition value of Delta Bancorp. In addition to reviewing the California Comparable Group bank transactions, FIG also reviewed all national bank acquisition transactions involving selling banks with assets between \$50 million and \$150 million, non-performing assets greater than 4.0% of total assets, and having a return on average assets of less than 0.50% announced since January 1, 2014 (the "National Comparable Group"). The California Comparable Group consisted of 8 bank transactions. The National Comparable Group consisted of 17 bank transactions.

The following tables demonstrate the median multiples of book value, tangible book value, earnings and premium paid over the seller's tangible equity as a percentage of the acquired institutions core deposits as well as the proposed transaction percentile rankings as compared to the various transactions for the various Comparable Groups.

California Comparable Group

	P/B	P/TB	P/E	Core Dep.
	(%)	(%)	(x)	Premium (%)
Median Multiples	95	96	NM	-0.5
Proposed Transaction	99	99	NM	0
Percent Rank	62 %	61 %	NM	59 %

National Comparable Group

	P/B	P/TB	P/E	Core Dep.
	(%)	(%)	(x)	Premium (%)
Median Multiples	98	98	NM	-0.2
Proposed Transaction	99	99	NM	0
Percent Rank	52 %	62 %	NM	53 %

Discounted Cash Flow Analysis: A discounted cash flow analysis was performed by FIG pursuant to which a range of values of Delta Bancorp was determined by adding (i) the present value of estimated future dividend streams that Delta Bancorp could generate over a five-year period and (ii) the present value of the "terminal value" of Delta Bancorp's book value at the end of the fifth year. The "terminal value" of Delta Bancorp's book value at the end of the five-year period was determined by applying a multiple of 105% of its fifth year ending tangible book value.

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Dividend streams and terminal values were discounted to present values using a discount rate of 14%. This rate reflects assumptions regarding the required rate of return of holders or buyers of Delta Bancorp's common stock. The aggregate value of the Delta Bancorp common stock utilizing the terminal value based on a multiple of 105% of Delta Bancorp's year five ending equity resulted in an aggregate value of \$4,096,000 or \$10.77 per Delta Bancorp common share.

The fairness opinion is directed only to the question of whether the consideration to be received by Delta Bancorp's shareholders under the merger agreement is fair and equitable from a financial perspective and does not constitute a recommendation to any Delta Bancorp shareholder to vote in favor of the merger. No limitations were imposed on FIG regarding the scope of its investigation or otherwise by Delta Bancorp.

Based on the results of the various analyses described above, as well as all other factors considered and deemed relevant, FIG concluded that the consideration to be received by Delta Bancorp's shareholders under the merger agreement is fair and equitable from a financial perspective to the shareholders of Delta Bancorp.

FIG will receive total fees of approximately \$200,000 for all services performed in connection with the sale of Delta Bancorp and the rendering of the fairness opinion. In addition, Delta Bancorp has agreed to indemnify FIG and its directors, officers and employees, from liability in connection with the transaction, and to hold FIG harmless from any losses, actions, claims, damages, expenses or liabilities related to any of FIG's acts or decisions made in good faith and in the best interest of Delta Bancorp.

The Merger Consideration

General

At the effective time of the merger, each share of Delta Bancorp common stock outstanding immediately before the effective time of the merger, except as provided below, will, by virtue of the merger and without any action on the part of the Delta Bancorp shareholder, be converted into the right to receive whole shares of common stock of F&M Bancorp. Cash will be paid in lieu of fractional shares of F&M Bancorp common stock. The aggregate consideration to be paid to Delta Bancorp shareholders in the merger is referred to as the merger consideration. Since the federal income tax consequences will be dependent on the form of consideration received, you are urged to read carefully the information set forth below under "—Material Federal Income Tax Consequences."

Merger Consideration and Possible Adjustment

Common Stock

Upon consummation of the merger and except for cash paid in lieu of fractional shares, each share of Delta Bancorp common stock issued and outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive 0.031748 shares of F&M Bancorp common stock, which is referred to as the exchange ratio.

The exchange ratio is subject to downward adjustment in the event Delta Bancorp's tangible equity is less than specified in the merger agreement, as described below under " - Minimum Tangible Equity Amount."

To the extent that no adjustment to the per share common stock consideration occurs, the merger consideration to the common shareholders of Delta Bancorp would amount to approximately \$6.6 million, based on the 20-day daily volume weighted average price of F&M Bancorp common stock as of June 7, 2016.

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Upon completion of the merger, and based on 383,303 shares of Delta Bancorp common stock outstanding as of the date of this proxy statement/prospectus and assuming there is no adjustment to the per share stock consideration, Delta Bancorp shareholders are expected to receive approximately 12,074 shares of F&M Bancorp common stock.

Following the completion of the merger and based on 792,387 shares of F&M Bancorp common stock outstanding as of September 7, 2016, the former Delta Bancorp shareholders will own approximately 1.5% of the outstanding shares of F&M Bancorp common stock and the current shareholders of F&M Bancorp will own the remaining approximately 98.5% of the outstanding shares of F&M Bancorp common stock.

The following table sets forth the closing sale prices of (i) F&M Bancorp common stock as quoted on the OTCQX on June 7, 2016, and (ii) Delta Bancorp common stock as quoted on the OTC Pink market, on June 7, 2016, the last trading day before F&M Bancorp announced the merger, and on September 7, 2016, the last practicable trading day before the distribution of this proxy statement/prospectus. To illustrate the market value of the per share merger consideration to be received by Delta Bancorp's shareholders, the following table also presents the equivalent market value per share of Delta Bancorp common stock as of June 7, 2016, and September 7, 2016, which were determined by multiplying the closing price for the F&M Bancorp common stock on those dates by the exchange ratio of 0.031748 of a share of F&M Bancorp common stock for each share of Delta Bancorp common stock. The equivalent market value per share of Delta Bancorp common stock presented below does not reflect the possible downward adjustment in the event certain of Delta Bancorp's minimum tangible equity amount is less than that specified in the merger agreement.

	F&M Bancorp Common Stock	Delta Bancorp Common Stock	Equivalent Market Value Per Share of Delta Bancorp
At June 7, 2016	\$ 600.00	\$ 7.90	\$ 19.05
At September 7, 2016	\$ 600.00	\$ 17.12	\$ 19.05

The market price of F&M Bancorp common stock and Delta Bancorp common stock will fluctuate prior to the date of Delta Bancorp's annual meeting and the date such Delta Bancorp shareholder receives the merger consideration. Therefore, the value of the stock to be received in the merger by the Delta Bancorp shareholders will not be known at the time the Delta Bancorp shareholders vote on the merger agreement in connection with the merger. Delta Bancorp shareholders should obtain a current price quotation for the shares of F&M Bancorp common stock to update the implied value for a share of Delta Bancorp common stock.

Shares of Delta Bancorp common stock held by Delta Bancorp shareholders who have elected to exercise their dissenters' rights will not be converted into the right to receive the merger consideration upon consummation of the merger. The dissenters' rights available to Delta Bancorp shareholders are described more fully in this proxy statement/prospectus under "—Dissenters' Rights."

Minimum Tangible Equity Amount

The exchange ratio of 0.031748 shares of F&M Bancorp common stock for each share of Delta Bancorp common stock is subject to possible downward adjustment if Delta Bank's tangible equity is less than \$8.30 million; provided, however, that such minimum tangible equity amount shall be reduced by \$75,000 for each month end occurring after September 30 (any shortfall being referred to as the "Tangible Equity Shortfall"). To the extent that there is a Tangible Equity Shortfall, the exchange ratio shall be adjusted such that the as-adjusted exchange ratio shall be equal to the product resulting when (A) 0.031748 is multiplied by (B) the quotient resulting when (i) \$6,580,330 less the Tangible Equity Shortfall, is divided by (ii) \$6,580,330, such product rounded to the nearest ten-thousandth.

Fractional Shares

No fractional shares of F&M Bancorp common stock will be issued and, in lieu thereof, each holder of Delta Bancorp common stock who would otherwise be entitled to a fractional share interest will receive an amount in cash, without interest, determined by multiplying such fractional interest by \$545.00, rounded to the nearest whole cent. No such holder shall be entitled to dividends, voting rights or any other rights in respect of any fractional share of F&M Bancorp common stock.

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Preferred Stock

Upon consummation of the merger, each share of Delta Bancorp preferred stock issued and outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive \$19.827 in cash. Upon completion of the merger, and based on 110,000 shares of Delta Bancorp preferred stock outstanding as of the date of this proxy statement/prospectus, Delta Bancorp preferred shareholders are expected to receive \$2,181,000 in cash.

Procedures for Exchanging Delta Bancorp Common Stock Certificates

Promptly following the closing of the merger, Computershare, F&M Bancorp's transfer agent and the exchange agent for the merger, will mail to each holder of record of Delta Bancorp common and preferred stock a notice and form of transmittal letter advising such holder of the effectiveness of the merger and the procedure for surrendering to the exchange agent certificates representing shares of Delta Bancorp common and/or stock in exchange for the merger consideration allocated to them. Upon surrender of a stock certificate of Delta Bancorp common and/or preferred stock for exchange and cancellation to the exchange agent, together with a duly executed transmittal letter, the holder of such certificate will be entitled to receive the merger consideration allocated to them and the certificate for Delta Bancorp common and/or preferred stock so surrendered will be canceled. No interest will be paid or accrued on any cash paid in lieu of fractional shares of F&M Bancorp common stock nor on any cash paid to the preferred stock holders.

Delta Bancorp shareholders who surrender their stock certificates and complete the transmittal materials, or who have taken other steps to surrender the evidence of their stock interest in Delta Bancorp in accordance with the instructions accompanying the transmittal letter, will, upon the exchange agent's acceptance of such stock certificates and transmittal materials or stock interest, be entitled to receive the form and amount of merger consideration to which they are entitled.

Any Delta Bancorp shareholder who receives shares of F&M Bancorp common stock in the merger will receive dividends on F&M Bancorp common stock or other distributions declared after the completion of the merger only if he or she has surrendered his or her Delta Bancorp stock certificates. Only then will the Delta Bancorp shareholder be entitled to receive all previously withheld dividends and distributions, without interest.

After completion of the merger, no transfers of Delta Bancorp common or preferred stock issued and outstanding immediately prior to the completion of the merger will be allowed. Delta Bancorp stock certificates that are presented for transfer after the completion of the merger will be canceled and exchanged for the appropriate merger consideration.

F&M Bancorp will only issue an F&M Bancorp stock certificate in a name other than the name in which a surrendered Delta Bancorp stock certificate is registered if a Delta Bancorp shareholder presents the exchange agent with all documents required to show and effect the unrecorded transfer of ownership of the shares of Delta Bancorp common stock formerly represented by such Delta Bancorp stock certificate and that the Delta Bancorp shareholder has paid any applicable stock transfer taxes.

If a Delta Bancorp shareholder has lost his or her Delta Bancorp stock certificate, or the Delta Bancorp stock certificate has been lost, stolen or destroyed, the Delta Bancorp shareholder may be required to deliver an affidavit and a lost certificate bond as a condition to receiving any merger consideration to which he or she may be entitled.

Conditions to the Merger

Completion of the merger is subject to the satisfaction of certain conditions set forth in the merger agreement, or the waiver of such conditions by the party entitled to do so, at or before the closing date of the merger. Each of the parties' obligation to consummate the merger under the merger agreement is subject to the following conditions:

the holders of the outstanding shares of Delta Bancorp common stock and preferred stock must have approved the merger agreement;

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all regulatory approvals required to consummate the merger by any governmental authority must have been obtained and must remain in full force and effect, all statutory waiting periods in respect thereof must have expired, and no required approval may contain any condition, restriction or requirement which F&M Bancorp's board of directors reasonably determines in good faith would, individually or in the aggregate, materially reduce the benefits of the merger to such a degree that F&M Bancorp would not have entered into the merger agreement had such conditions, restrictions or requirements been known at the date of the merger agreement;

no statute, rule, regulation, judgment, decree, injunction or other order shall have been enacted, issued, promulgated, enforced or entered which prohibits the consummation of the merger;

the registration statement of F&M Bancorp, of which this document is a part, must have become effective under the Securities Act of 1933, as amended, or the Securities Act, and no stop order suspending the effectiveness of such registration statement shall have been issued and no proceedings for that purpose shall have been initiated by the Commission and not withdrawn; and

each of F&M Bancorp and Delta Bancorp must have received an opinion of Crowe to the effect that the merger will constitute a reorganization within the meaning of Section 368(a) of the Code.

In addition to the foregoing conditions, the obligation of F&M Bancorp to consummate the merger under the merger agreement is subject to the following conditions, which may be waived by F&M Bancorp:

the representations and warranties of Delta Bancorp in the merger agreement must be true and correct as of the date of the merger agreement and as of the effective time of the merger, except as to any representation or warranty which specifically relates to an earlier date and other than, in most cases, those failures to be true and correct that have not had or are reasonably likely not to have a material adverse effect (as defined below) on Delta Bancorp, and F&M Bancorp shall have received a certificate signed by the chief executive officer and chief financial officer of Delta Bancorp to that effect;

Delta Bancorp must have performed in all material respects all obligations required to be performed by it at or prior to consummation of the merger, and F&M Bancorp shall have received a certificate signed by the chief executive officer and chief financial officer of Delta Bancorp to that effect;

dissenting shares shall not represent 10% or more of the outstanding Delta Bancorp common stock;

as of the month-end prior to the closing date, Delta Bank must (A) not have materially increased the costs of its deposits from the previous month-end and (B) have an aggregate outstanding balance of (i) total deposits equal to at least \$90 million and (ii) non-CD deposits equal to at least \$75 million excluding brokered or wholesale sourced deposits;

as of the closing date, Delta Bancorp's tangible common equity (as defined and subject to certain specified adjustments set forth in the merger agreement) must not be less than \$8.30 million; provided, however, that such amount shall be reduced by \$75,000 for each month end occurring after September 30, 2016;

all regulatory approvals required to consummate the bank merger by any governmental authority must have been obtained and must remain in full force and effect, all statutory waiting periods in respect thereof must have expired; no statute, rule, regulation, judgment, decree, injunction or other order shall have been enacted, issued, promulgated, enforced or entered which prohibits the consummation of the bank merger;

each of Warren Wegge, Theodore Poulos, Valerie Rossi and Toinette Rossi shall have entered into a Post-Closing Shareholder Agreement with F&M Bancorp to be effective on the closing of the merger;

Delta Bank shall maintain its allowance for loan losses in accordance with GAAP, but in no event shall such reserve be less than 1.38% of total loans at the closing of the merger;

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Delta Bancorp or Delta Bank, as applicable, shall use its commercially reasonable best efforts to obtain from the Internal Revenue Service (“IRS”) and Department of Labor and provide to F&M termination letters for any present or former pension plan. Delta Bank shall take all actions necessary to cause the termination of its current 401K plan, to be effective as of the closing of the merger; and

F&M Bancorp must have received such certificates of Delta Bancorp’s officers or others and such other documents to evidence fulfillment of the conditions to its obligations as F&M Bancorp may reasonably request.

In addition to the other conditions set forth above, the obligation of Delta Bancorp to consummate the merger under the merger agreement is subject to the following conditions, which may be waived by Delta Bancorp:

the representations and warranties of F&M Bancorp in the merger agreement must be true and correct as of the date of the merger agreement and as of the effective time of the merger, except as to any representation or warranty which specifically relates to an earlier date and other than those failures to be true and correct that have not had or are reasonably likely not to have a material adverse effect (as defined below) on F&M Bancorp, and Delta Bancorp shall have received a certificate signed by the chief executive officer and chief financial officer of F&M Bancorp to that effect;

F&M Bancorp must have performed in all material respects all obligations required to be performed by it at or prior to consummation of the merger, and Delta Bancorp shall have received a certificate signed by the chief executive officer and chief financial officer of F&M Bancorp to that effect; and

Delta Bancorp must have received such certificates of F&M Bancorp’s officers or others and such other documents to evidence fulfillment of the conditions to its obligations as Delta Bancorp may reasonably request.

Additionally, each party’s obligations are conditioned upon no event having occurred or circumstance arisen that, individually or taken together with all other facts, circumstances or events, has had or could reasonably be expected to have a material adverse effect of the other. Under the terms of the merger agreement, a material adverse effect on either F&M Bancorp or Delta Bancorp is defined to mean any effect that (i) is material and adverse to the financial condition, results of operations or business of F&M Bancorp and its subsidiaries taken as a whole or Delta Bancorp and its subsidiaries taken as a whole, as the case may be, or (ii) would materially impair the ability of F&M Bancorp and its subsidiaries taken as a whole or Delta Bancorp and its subsidiaries taken as a whole, as the case may be, to perform their respective obligations under the merger agreement or otherwise materially impede the consummation of the merger. However, under the terms of the merger agreement, none of the following would be deemed to constitute a material adverse effect under subclause (i) above:

changes after June 8, 2016 in laws or regulations of general applicability to banks, savings institutions and their holding companies generally or interpretations of them by governmental authorities;

changes after June 8, 2016 in GAAP or regulatory accounting requirements applicable to banks, savings institutions or their holding companies generally;

any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism;

changes resulting from conditions affecting the banking and financial services industry or changes in global, national or regional political conditions or market conditions (including changes in prevailing interest rates or exchange rates) affecting banks, savings institutions and their holding companies generally;

the public announcement or pendency of the merger, including the impact of the merger on relationships with customers or employees;

any modifications or changes to valuation policies and practices in connection with the merger or restructuring charges taken in connection with the merger, in each case in accordance with GAAP; and

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with respect to Delta Bancorp, the effects of any action or omission taken with the prior consent of F&M Bancorp or as otherwise contemplated by the merger agreement.

The effect of the changes described in the first, second, third and fourth bullet points above will not be excluded as a material adverse effect to the extent of a materially disproportionate impact, if any, that they have on F&M Bancorp and its subsidiaries as a whole on the one hand, or Delta Bancorp and its subsidiaries on the other hand, as measured relative to similarly situated companies in the banking industry.

Bank Regulatory Approvals

The merger cannot be completed unless the parties receive prior approvals or waivers from the FDIC, CA DBO and Federal Reserve.

Bank holding companies, such as F&M Bancorp and Delta Bancorp, and banks, such as F&M Bank and Delta Bank, are heavily regulated institutions with numerous federal and state laws and regulations governing their activities. Among these laws and regulations are requirements of prior approval by applicable government regulatory authorities in connection with acquisition and merger transactions such as the merger and the bank merger. In addition, these institutions are subject to ongoing supervision, regulation and periodic examination by various federal and state financial institution regulatory agencies.

Applications for regulatory review and approval of the merger and the related transactions were filed with the CA DBO and the FDIC. Approval of both agencies were obtained during August/September. A request for determination of an exemption was also filed with the Federal Reserve and was granted in July. None of such approvals imposes conditions, restrictions or requirements which, individually or in the aggregate, would so materially reduce the benefits of the transactions contemplated by the merger agreement to F&M Bancorp that had such condition, restriction or requirement been known or could reasonably have been known, F&M Bancorp, in its reasonable, good faith judgment, would not have entered into the merger agreement. The approval of any application or notice merely implies satisfaction of regulatory criteria for approval, and does not include review of the merger from the standpoint of the adequacy of the merger consideration to be received by, or fairness to, Delta Bancorp shareholders. Regulatory approval does not constitute an endorsement or recommendation of the proposed merger.

Neither F&M Bancorp nor Delta Bancorp is aware of any other regulatory approvals that would be required for completion of the merger except as described above. Should any other approvals be required, it is presently contemplated that such approvals would be sought. There can be no assurance, however, that any other approvals, if required, will be obtained.

Business Pending the Merger

The merger agreement contains certain covenants of the parties regarding the conduct of their respective businesses pending consummation of the merger. These covenants, which are contained in Article IV of the merger agreement included as Appendix A to this proxy statement/prospectus, are briefly described below.

Pending consummation of the merger, Delta Bancorp may not, and will cause each of its subsidiaries not to, among other things, take the following actions without the prior written consent of F&M Bancorp:

conduct its business other than in the ordinary and usual course consistent with past practice or fail to use reasonable best efforts to preserve its business organization, keep available the present services of its employees (except in the case of terminations of employees for cause) and preserve for itself and F&M Bancorp the goodwill of the customers of Delta Bancorp, its subsidiaries and others with whom business relations exist;

issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional shares of capital stock or rights to acquire stock, or permit any additional shares of stock to become subject to grants of employee or director stock options or other rights, except as previously disclosed to F&M Bancorp;

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make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares on its capital stock, or directly or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire any shares of its capital stock;

enter into or amend or renew any employment, consulting, severance, change in control, bonus, salary continuation or similar agreement or arrangement with any director or senior officer of Delta Bancorp or its subsidiaries or grant any salary or wage increase or increase any employee benefit, except for changes that are required by applicable law, except as previously disclosed;

hire any person as a senior officer of Delta Bancorp or any of its subsidiaries or promote any employee to a senior officer position, except (i) to satisfy contractual obligations existing as of the date of the merger agreement and previously disclosed to F&M Bancorp, and (ii) persons hired to fill a vacancy arising after the date of the merger agreement, provided that the person's employment is terminable at the will of Delta Bancorp or a subsidiary of Delta Bancorp and that the person is not subject to or eligible for any severance or similar benefits or payments that would become payable as a result of the merger or its consummation;

enter into, establish, adopt, amend, or terminate or make any contributions to (except (i) as may be required by applicable law or (ii) as required under the terms of a contract, plan, arrangement or agreement existing as of the date of the merger agreement and previously disclosed to F&M Bancorp), any employee benefit plan with respect to any current or former director, officer, or employee of Delta Bancorp or any of its subsidiaries, or take any action to accelerate the vesting or exercisability of stock options, restricted stock or other compensation or benefits payable thereunder;

sell, transfer, mortgage, encumber or otherwise dispose of or discontinue any of its material assets, deposits, business or properties, except with respect to other real estate owned;

acquire (other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary and usual course of business consistent with past practice), including without limitation, by merger or consolidation or by investment in a partnership or joint venture, all or any portion of the assets, business, securities, deposits or properties of any other entity;

make any capital expenditures, other than capital expenditures in the ordinary course of business consistent with past practice not exceeding \$10,000 individually or \$40,000 in the aggregate;

amend the articles of incorporation or bylaws of Delta Bancorp or the articles of association or bylaws of any subsidiary of Delta Bancorp;

implement or adopt any change in its accounting principles, practices or methods other than as may be required by changes in laws or regulations or GAAP or at the request of F&M Bancorp, the FDIC, the OCC or any other governmental authority;

except as otherwise permitted under the merger agreement, enter into, cancel, fail to renew, or terminate any material contract or amend or modify in any material respect any of its existing material contracts;

enter into any settlement or similar agreement with respect to any claims if the settlement, agreement, or action involves payment by Delta Bancorp or any of its subsidiaries of an amount that exceeds \$15,000 and/or would impose any material restriction on the business of Delta Bancorp or any of its subsidiaries or create precedent for claims that reasonably are likely to be material to Delta Bancorp or any of its subsidiaries;

enter into any new material line of business; introduce any material new products or services; change its material banking and operating policies, except as required by applicable law, regulation or policy, or the manner in which its investment securities or loan portfolio is classified or reported; or invest in any mortgage backed or mortgage related security that would be considered "high risk" under applicable regulatory guidance; or file any application or enter into any contract with respect to the opening, relocation or closing of, or open, relocate or close, any branch, office, service center or other facility;

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- except as previously disclosed to F&M Bancorp, introduce any material new marketing campaigns or any material new sales compensation or incentive programs or arrangements (except if the material terms have been fully disclosed in writing to F&M Bancorp prior to the date of the merger agreement);
- enter into any derivatives contract;
- incur any indebtedness for borrowed money (other than certain short term borrowings) or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, other than with respect to the collection of checks and other negotiable instruments in the ordinary course of business consistent with past practice;
- acquire (other than by way of foreclosures or acquisitions in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business consistent with past practice) any debt security or equity investment or dispose of any debt security or equity investment;
- make, renew or modify any loan, loan commitment, letter of credit or other extension of credit, which are collectively referred to as the loans, in excess of \$250,000 individually; (ii) take any action that would result in any discretionary release of collateral or guarantees, or otherwise restructure the respective amounts of any loan in clause (i) above; (iii) enter into any loan securitization or create any special purpose funding entity; or (iv) enter into any loan participation agreement or arrangement, provided, however, that notwithstanding anything in the merger agreement to the contrary, the consent of F&M Bancorp to Delta Bank making, renewing, or otherwise modifying any loans in excess of \$250,000 individually shall be deemed granted if, within three business days of written notice delivered to F&M Bank's Executive Vice President and Chief Credit Officer or his designee, notice of objection is not received by Delta Bank;
- make any investment or commitment to invest in real estate or in any real estate development project (other than by way of foreclosure or acquisitions in a bona fide fiduciary capacity or in satisfaction of a debt previously contracted in good faith, in each case in the ordinary course of business consistent with past practice). Notwithstanding the foregoing, Delta Bank may make investments up to \$10,000 in its other real estate owned properties to help facilitate the sales and disposals of said other real estate owned properties;
- make or change any tax election, settle or compromise any tax liability of Delta Bancorp or any of its subsidiaries, agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of an amount of taxes of Delta Bancorp or any of its subsidiaries, enter into any closing agreement with respect to any amount of taxes or surrender any right to claim a tax refund, adopt or change any method of accounting with respect to taxes or any of its subsidiaries or file any amended tax return;
- take any action that would cause the merger agreement or the merger to be subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares, or to exempt or make not subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares, any person (other than F&M Bancorp or its subsidiaries) or any action taken thereby, if that person or action would otherwise have been subject to the restrictive provisions of that law and not exempt therefrom;
- make or propose to make any loan to or enter into any transaction with Delta Bancorp or any of its subsidiaries or any of their respective officers, directors or affiliates;
- take any action that would or is reasonably likely to result in (i) the merger not qualifying as a "reorganization" within the meaning of Section 368(a) of the Code, (ii) any of the representations and warranties of Delta Bancorp set forth in the merger agreement being or becoming untrue in any material respect at or prior to the effective time of the merger,

(iii) any of the conditions to the merger set forth in the merger agreement not being satisfied, (iv) a material violation of any provision of the merger agreement, except as may be required by applicable law and regulation, or (v) a material delay in the ability of F&M Bancorp or Delta Bancorp to perform any of their obligations under the merger agreement on a timely basis; or

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·enter into any contract with respect to, or otherwise agree or commit to do, any of the foregoing.

The merger agreement also provides that pending consummation of the merger, F&M Bancorp may not, and will cause each of its subsidiaries not to, take the following actions without the prior written consent of Delta Bancorp:

·take any action that is intended or is reasonably likely to result in (i) the merger not qualifying as a “reorganization” within the meaning of Section 368(a) of the Code, (ii) any of the representations and warranties of F&M Bancorp set forth in the merger agreement being or becoming untrue in any material respect at or prior to the effective time of the merger, (iii) any of the conditions to the merger set forth in the merger agreement not being satisfied, or (iv) a material violation of any provision of the merger agreement, except as may be required by applicable law and regulation, or (v) a material delay in the ability of F&M Bancorp or Delta Bancorp to perform any of their obligations under the merger agreement on a timely basis;

·announce or commence any public or private offer of F&M Bancorp common stock for sale, consummate the public or private sale of any F&M Bancorp common stock, agree or enter into any agreement relating to, or consummate a business combination transaction involving the issuance of F&M Bancorp common stock, in each case where the offering price per share of F&M Bancorp common stock or the value of the F&M Bancorp common stock involved or the business combination transaction is less than \$545.00 per share;

·declare, set aside or pay any special cash dividends on the F&M Bancorp common stock other than those customarily paid in like kind and amount, excluding any increases in its normal semi-annual dividend policy; or

·enter into any contract with respect to, or otherwise agree or commit to do, any of the foregoing.

Delta Bancorp Board of Directors’ Covenant to Recommend the Merger Agreement

Pursuant to the merger agreement, the Delta Bancorp board of directors is required to recommend that Delta Bancorp shareholders approve the merger agreement at all times prior to and during the Delta Bancorp annual meeting at which the merger agreement is to be considered by them. The Delta Bancorp board of directors may not withdraw, modify or qualify in any manner adverse to F&M Bancorp such recommendation or take any other action or make any other public statement in connection with the Delta Bancorp annual meeting inconsistent with such recommendation, except as described below.

The Delta Bancorp board of directors is permitted to change its recommendation if Delta Bancorp has complied with the merger agreement and the Delta Bancorp board of directors, based on the advice of its outside counsel, has determined in good faith that failure to do so would result in a violation of the board of directors’ fiduciary duties under applicable Delaware law. If the Delta Bancorp board of directors intends to change its recommendation following an acquisition proposal, as described in “—No Solicitation,” it must have first concluded in good faith, after giving effect to all of the adjustments to the terms and conditions of the merger agreement that may be offered by F&M Bancorp, that another acquisition proposal constitutes a superior proposal, as defined in “—No Solicitation” below. Delta Bancorp also must notify F&M Bancorp at least five business days in advance of its intention to change its recommendation in response to the superior proposal, including the identity of the party making the acquisition proposal, and furnish to F&M Bancorp a copy of the relevant proposed transaction agreements with the party making the superior proposal and all other material documents. Prior to changing its recommendation, Delta Bancorp must, and must cause its financial and legal advisors to, during the period following its delivery of the required notice, negotiate in good faith with F&M Bancorp for a period of up to five business days to the extent F&M Bancorp desires to negotiate to make adjustments in the terms and conditions of the merger agreement so that the other acquisition proposal ceases to constitute a superior proposal.

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No Solicitation

The merger agreement provides that Delta Bancorp will, and will direct and use its reasonable best efforts to cause its affiliates, directors, officers, employees, agents and representatives to, immediately cease any discussions or negotiations with any other parties that have been ongoing with respect to the possibility or consideration of any acquisition proposal and will use its reasonable best efforts to enforce any confidentiality or similar agreement relating to any acquisition proposal. For purposes of the merger agreement, “acquisition proposal” is defined to mean any inquiry, proposal or offer, filing of any regulatory application or notice, whether in draft or final form, or disclosure of an intention to do any of the foregoing from any person or group of persons acting in concert relating to any (i) direct or indirect acquisition or purchase of a business that constitutes 10% or more of the total revenues, net income, assets, or deposits of Delta Bancorp and its subsidiaries taken as a whole; (ii) direct or indirect acquisition or purchase of any class of equity securities representing 10% or more of the voting power of Delta Bancorp; (iii) tender offer or exchange offer that if consummated would result in any person beneficially owning 10% or more of any class of equity securities of Delta Bancorp; or (iv) merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Delta Bancorp, other than the transactions contemplated by the merger agreement.

From the date of the merger agreement through the effective time of the merger, Delta Bancorp nor any of its subsidiaries will, and shall cause its directors, officers or employees or any other representative retained by it not to, directly or indirectly through another person (i) solicit, initiate, or encourage, including by way of furnishing information or assistance, or take any other action designed to facilitate or that is likely to result in, any inquiries or the making of any proposal or offer that constitutes, or is reasonably likely to lead to, any acquisition proposal, (ii) provide any confidential information or data to any person relating to any acquisition proposal, (iii) participate in any discussions or negotiations regarding any acquisition proposal, (iv) waive, terminate, modify, or fail to enforce any provision of any contractual “standstill” or similar obligations of any person other than F&M Bancorp or its affiliates, (v) approve or recommend, propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase agreement or share exchange agreement, option agreement or similar agreement related to any acquisition proposal or propose to take any of these actions, or (vi) make or authorize any statement, recommendation, or solicitation in support of any acquisition proposal.

However, prior to the date of the Delta Bancorp annual meeting, if the Delta Bancorp board of directors determines in good faith, after consulting with its outside legal and financial advisors, that the failure to do so would breach, or would reasonably be expected to result in a breach of, its fiduciary duties, assuming the application of Delaware law, Delta Bancorp may, in response to a bona fide, written acquisition proposal not solicited in violation of the merger agreement that the Delta Bancorp board of directors determines in good faith constitutes a superior proposal, subject to providing 48 hours prior written notice of its decision to take such action to F&M Bancorp and identifying the person making the proposal and all the material terms and conditions of the proposal and compliance with the merger agreement:

furnish information with respect to itself and its subsidiaries to any person making the superior proposal pursuant to a customary confidentiality agreement, as determined by Delta Bancorp after consultation with its outside counsel, on terms no more favorable to the person than the terms contained in the confidentiality agreement between Delta Bancorp and F&M Bancorp are to F&M Bancorp; and

·participate in discussions or negotiations regarding the superior proposal.

For purposes of the merger agreement, “superior proposal” is defined to mean any bona fide written proposal made by a third party to acquire, directly or indirectly, including pursuant to a tender offer, exchange offer, merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction, for consideration consisting of cash and/or securities, more than 50% of the combined voting power of the shares of Delta Bancorp

common stock then outstanding or all or substantially all of Delta Bancorp's consolidated assets, that the Delta Bancorp board of directors determines in good faith, after taking into account all legal, financial, regulatory, and other aspects of the proposal and the person making the proposal, including any break up fees, expense reimbursement provisions, and conditions to consummation, and after taking into account the advice of Delta Bancorp's financial advisor, which will be a recognized investment banking firm, and outside counsel, (i) is more favorable from a financial point of view to its shareholders than the merger, (ii) is reasonably likely to be consummated on the terms set forth, and (iii) for which financing, to the extent required, is then committed or which, in the good faith judgment of the Delta Bancorp board of directors, is reasonably likely to be obtained by the third party.

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In addition to these obligations, Delta Bancorp will promptly, within two business days, advise F&M Bancorp orally and in writing of its receipt of any acquisition proposal, or any inquiry that could reasonably be expected to lead to an acquisition proposal, and keep F&M Bancorp informed, on a current basis, of the continuing status of the inquiry, including the terms and conditions of the inquiry and any changes to the inquiry, and will contemporaneously provide to F&M Bancorp all materials provided to or made available to any third party that were not previously provided to F&M Bancorp.

Delta Bancorp has agreed that any violations of the restrictions set forth in the merger agreement by any representative of Delta Bancorp or its subsidiaries will be deemed a breach of the merger agreement by Delta Bancorp.

F&M Bancorp and Delta Bancorp have agreed that irreparable damage would occur in the event Delta Bancorp, its subsidiaries or any of their respective representatives violated any of the restrictions described above regarding discussions and negotiations with other parties with respect to the possibility or consideration of any acquisition proposal. As such, under the merger agreement, F&M Bancorp is entitled to injunctive relief to prevent breaches of these restrictions and to enforce specifically the terms of these restrictions.

Representations and Warranties of the Parties

Pursuant to the merger agreement, F&M Bancorp and Delta Bancorp made certain customary representations and warranties relating to their respective companies, subsidiaries, businesses and matters related to the merger. For detailed information concerning these representations and warranties, reference is made to Article V of the merger agreement included as Appendix A to this proxy statement/prospectus. Such representations and warranties generally must remain accurate through the completion of the merger, unless the fact or facts that caused a breach of a representation and warranty has not had or is not reasonably likely to have a material adverse effect on the party making the representation and warranty. See “—Conditions to the Merger.”

The merger agreement contains representations and warranties that F&M Bancorp and Delta Bancorp made to and solely for the benefit of each other. These representations and warranties are subject to materiality standards which may differ from what may be viewed as material by investors and shareholders, and, in certain cases, were used for the purpose of allocating risk among the parties rather than establishing matters as facts. The assertions embodied in those representations and warranties also are qualified by information in confidential disclosure schedules that the parties have exchanged in connection with signing the merger agreement. Although neither F&M Bancorp nor Delta Bancorp believes that the disclosure schedules contain information that the federal securities laws require to be publicly disclosed, the disclosure schedules do contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the merger agreement.

Accordingly, shareholders of Delta Bancorp should not rely on the representations and warranties as characterizations of the actual state of facts, since they were only made as of the date of the merger agreement and are modified in important part by the underlying disclosure schedules. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement, which subsequent information may or may not be fully reflected in F&M Bancorp’s or Delta Bancorp’s public disclosures.

Effective Time of the Merger

Pursuant to the terms and conditions set forth in the merger agreement, Delta Bancorp will be acquired by F&M Bancorp in a transaction in which Delta Bancorp will merge with and into F&M Bancorp, with F&M Bancorp as the surviving institution. The merger will become effective upon the acceptance of a certificate of merger to be filed with the Secretary of State of the State of Delaware in accordance with the provisions of applicable Delaware law. The merger is expected to become effective during the fourth quarter of 2016.

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Amendment of the Merger Agreement

To the extent permitted under applicable law, the merger agreement may be amended or supplemented at any time by written agreement of the parties whether before or after the approval of the shareholders of Delta Bancorp, except that after shareholders of Delta Bancorp have approved the principal terms of the merger agreement, except as described in the next sentence, no amendment or supplement which by law requires further approval by the shareholders of Delta Bancorp may be made without obtaining such approval. The merger agreement provides that, by approving the principal terms of the merger agreement, Delta Bancorp shareholders will be deemed to have approved any amendment to the November 30, 2016, termination date described below.

Termination of the Merger Agreement

The merger agreement may be terminated:

·by the mutual written consent of F&M Bancorp and Delta Bancorp;

·if the terminating party is not in material breach of any representation, warranty, covenant, or agreement contained in the merger agreement, by F&M Bancorp or Delta Bancorp, in the event of a breach by the other party of any representation, warranty, covenant, or agreement contained in the merger agreement that (i) cannot be or has not been cured within thirty days of the giving of written notice to the breaching party or parties and (ii) would entitle the non breaching party not to consummate the merger;

·by F&M Bancorp or Delta Bancorp, in the event that the merger is not consummated by November 30, 2016, except to the extent that the failure to consummate the merger by November 30, 2016 is due to (i) the failure of the party seeking to terminate to perform or observe its covenants and agreements set forth in the merger agreement, or (ii) the failure of any of the Delta Bancorp common or preferred shareholders (if Delta Bancorp is the party seeking to terminate) to perform or observe their respective covenants under their respective shareholder agreements with F&M Bancorp;

·by F&M Bancorp or Delta Bancorp, in the event the approval of any governmental authority required for consummation of the merger and the other transactions contemplated by the merger agreement have been denied by final non appealable action of the governmental authority or an application for approval has been permanently withdrawn at the request of a governmental authority, provided that no party has the right to terminate the merger agreement if the denial is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants;

·by F&M Bancorp if approval of the merger agreement by Delta Bancorp shareholders has not been obtained by reason of the failure to obtain the required vote at the Delta Bancorp annual meeting or at any adjournment or postponement thereof;

·by F&M Bancorp, if Delta Bancorp materially breaches the covenants described under “—No Solicitation,” in any respect adverse to F&M Bancorp, the Delta Bancorp board of directors fails to recommend that the shareholders of Delta Bancorp approve the merger agreement or withdraws, modifies or changes its recommendation in a manner that is adverse to F&M Bancorp, or Delta Bancorp breaches its covenants requiring the calling and holding of a meeting of shareholders in accordance with the merger agreement; or

·by F&M Bancorp if a third party commences a tender offer or exchange offer for 15% or more of the outstanding Delta Bancorp common stock and the board of directors of Delta Bancorp recommends that Delta Bancorp shareholders tender their shares in the offer or otherwise fails to recommend that they reject the offer within a specified period.

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Termination Fee

The merger agreement provides that Delta Bancorp must pay F&M Bancorp a \$425,000 termination fee plus F&M Bancorp's documented out of pocket expenses under the circumstances and in the manner described below:

if the merger agreement is terminated by F&M Bancorp for any of the reasons described in the sixth or seventh bullet points under “—Termination of the Merger Agreement,” Delta Bancorp must pay the termination fee to F&M Bancorp on the second business day following the termination of the merger agreement; or

if the merger agreement is terminated by (A) F&M Bancorp pursuant to the second bullet point under “—Termination of the Merger Agreement,” (B) either F&M Bancorp or Delta Bancorp pursuant to the third bullet point under “—Termination of the Merger Agreement,” and at the time of the termination no vote of the Delta Bancorp shareholders contemplated by the merger agreement at the Delta Bancorp annual meeting shall have occurred, or (C) either F&M Bancorp pursuant to the fifth bullet point under “—Termination of the Merger Agreement,” and in the case of any termination referenced in clause (A), (B) or (C), a “superior proposal” (as defined under “—No Solicitation”) shall have been publicly announced or otherwise communicated or made known to the senior management of Delta Bancorp or the board of directors of Delta Bancorp (or any person shall have publicly announced, communicated or made known an intention, whether or not conditional, to make an acquisition proposal, or reiterated a previously expressed plan or intention to make an acquisition proposal) at any time after the date of the merger agreement and prior to the time that shareholders of Delta Bancorp vote on the merger agreement (in the case of clause (C)) or the date of termination of the merger agreement (in the case of clause (A) or (B)).

The merger agreement provides that F&M Bancorp must pay Delta Bancorp a \$425,000 termination fee plus Delta Bancorp's documented out of pocket expenses incurred in connection with the merger on the second business day following the termination of the merger agreement, if the merger agreement is terminated by Delta Bancorp for a willful breach by F&M Bancorp of any covenant or agreement of F&M Bancorp contained in the merger agreement.

Any termination fee that becomes payable pursuant to the merger agreement shall be paid by wire transfer of immediately available funds to an account designated by the receiving party.

If Delta Bancorp or F&M Bancorp fails to timely pay the termination fee to the other party, Delta Bancorp or F&M Bancorp, as the case may be, will be obligated to pay the costs and expenses (including reasonable legal fees and expenses) incurred by the other party to collect such payment, provided the other party prevails on the merits, together with interest.

Certain Employee Matters

The merger agreement contains certain agreements of the parties with respect to various employee matters, which are described below.

As soon as administratively practicable after the effective time of the merger, F&M Bancorp will take all reasonable action so that continuing employees of Delta Bancorp and its subsidiaries will be entitled to participate in the F&M Bancorp and F&M Bank employee benefit plans of general applicability to the same extent as similarly situated employees of F&M Bancorp and its subsidiaries. For purposes of determining eligibility to participate in, the vesting of benefits and for all other purposes, other than for accrual of pension benefits under, the F&M Bancorp employee benefit plans, F&M Bancorp will recognize years of service with Delta Bancorp and its subsidiaries, to the same extent as such service was credited for such purpose by Delta Bancorp and its subsidiaries, except where such recognition would result in duplication of benefits. Nothing contained in the merger agreement shall limit the ability of F&M Bancorp to amend or terminate any F&M Bancorp or Delta Bancorp benefit plan in accordance with their terms at any time.

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At the time the continuing employees of Delta Bancorp and its subsidiaries become eligible to participate in a medical, dental or health plan of F&M Bancorp and its subsidiaries, F&M Bancorp will cause each such plan to:

waive any preexisting condition limitations to the extent such conditions are covered under the applicable medical, health or dental plans of F&M Bancorp;

provide full credit under such plans for any deductibles, co payment and out of pocket expenses incurred by the employees and their beneficiaries during the portion of the calendar year prior to such participation; and

waive any waiting period limitation or evidence of insurability requirement which would otherwise be applicable to such employee on or after the effective time of the merger to the extent such employee had satisfied any similar limitation or requirement under a corresponding Delta Bancorp plan prior to the effective time of the merger.

Those employees of Delta Bancorp and its subsidiaries who are not offered employment by F&M Bancorp or F&M Bank following the merger, who are not a party to an employment agreement or otherwise entitled to an existing severance package, and who sign and deliver a termination and release agreement (which will be negotiated between F&M Bancorp and Delta Bancorp) within 30 days of the later of (i) the closing of the merger or (ii) the date such employee is presented with the termination and release agreement, will be entitled to receive a single lump sum payment of severance in an amount to be negotiated between Delta Bancorp and F&M Bancorp. These payments will be made by F&M Bancorp on the date the termination and release agreement that is executed by an employee becomes effective, which date will be in the sole discretion of F&M Bancorp. If Delta Bancorp and its subsidiaries also has a severance pay plan, then any amounts paid pursuant to that plan will reduce the amount that the employee will receive as severance from F&M Bancorp and in no event will there be any duplication of severance pay.

No later than the day immediately preceding the effective time of the merger, Delta Bancorp shall provide F&M Bancorp with evidence that Delta Bancorp's profit sharing plan and its 401(k) and Employee Stock Ownership Plan (collectively the "Delta Plans") are in the process of being terminated pursuant to resolutions of the Delta Bancorp board that are effective as of no later than the day immediately preceding the effective time of the merger, provided, however, that the effectiveness of such termination may be conditioned on the consummation of the merger. The form and substance of such resolutions shall be subject to the review and reasonable and timely approval of F&M Bancorp. Delta Bancorp will also take such other actions in furtherance of terminating the Delta Bancorp and or Delta Bank plans as F&M Bancorp may reasonably require, including resolving all outstanding loans related to such plans; provided, however, that the effectiveness of any such actions may be conditioned on the consummation of the merger. F&M Bancorp will, and will cause its affiliates to, designate a tax-qualified defined contribution plan of F&M Bancorp or one of its affiliates that either (i) currently provides for the receipt from employees of "eligible rollover distributions" (as such term is defined under Section 402 of the Code) or (ii) shall be amended as soon as practicable following the effective date of the merger to provide for the receipt from the continuing Delta Bank employees of eligible rollover distributions. Each continuing Delta Bank employee who is a participant in a Delta Plan shall be given the opportunity to receive a distribution of his or her account balance and shall be given the opportunity to elect to "roll over" such account balance to a F&M Bancorp plan, subject to and in accordance with the provisions of such plan(s) and applicable law.

Interests of Certain Delta Bancorp Officers and Directors in the Merger

When Delta Bancorp shareholders are considering the recommendation of Delta Bancorp's board of directors with respect to approving the merger agreement, Delta Bancorp shareholders should be aware that Delta Bancorp directors and officers have interests in the merger as individuals that are in addition to, or different from, their interests as shareholders of Delta Bancorp. The Delta Bancorp board of directors was aware of these factors and considered them, among other matters, in approving the merger agreement and the merger. These interests are described below.

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Stock Ownership

The directors and executive officers of Delta Bancorp beneficially owned and had the power to vote as of August 26, 2016, a total of 174,941 shares of Delta Bancorp common stock, representing approximately 46.0% of the outstanding shares of Delta Bancorp common stock and 110,000 shares of Delta Bancorp preferred stock, representing 100.0% of the outstanding shares of Delta Bancorp preferred stock. See “Certain Beneficial Ownership of Delta Bancorp Common Stock.” All of these shares are expected to be voted in favor of the merger agreement pursuant to the shareholder agreements entered into by each of the executive officers and directors of Delta Bancorp who own shares of Delta Bancorp common stock and preferred stock. See “—Shareholder Agreements.” Each of these persons will receive the same merger consideration for their shares of Delta Bancorp common stock as the other Delta Bancorp shareholders except for the holders of the Delta Bancorp preferred stock who will receive cash for their shares.

Indemnification

Delta Bancorp’s directors, officers and employees are entitled to continuing indemnification against certain liabilities by virtue of provisions contained in the Delta Bancorp articles of incorporation, as amended, and bylaws, as amended, and the merger agreement. Delta Bancorp’s articles of incorporation, as amended, are referred to as the Delta Bancorp articles of incorporation, and Delta Bancorp’s bylaws, as amended, are referred to as the Delta Bancorp bylaws. Pursuant to the merger agreement, F&M Bancorp agreed for a period of six (6) years from the closing of the merger, to indemnify and hold harmless each present and former director, officer and employee of Delta Bancorp or a subsidiary of Delta Bancorp, as applicable, determined as of the effective time of the merger, against any costs or expenses (including reasonable attorneys’ fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or prior to the effective time of the merger, whether asserted or claimed prior to, at or after the effective time of the merger, arising in whole or in part out of or pertaining to the fact that he or she was a director, officer, employee, fiduciary or agent of Delta Bancorp or its subsidiaries or is or was serving at the request of Delta Bancorp or its subsidiaries as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise including, without limitation, matters related to the negotiation, execution and performance of the merger agreement or the consummation of any of the transactions contemplated by the merger agreement, to the fullest extent to which such indemnified parties would be entitled under the Delta Bancorp articles of incorporation and Delta Bancorp bylaws, or any agreement, arrangement or understanding previously disclosed by Delta Bancorp to F&M Bancorp pursuant to the merger agreement, in each case as in effect on the date of the merger agreement.

Pursuant to the merger agreement, F&M Bancorp has agreed to indemnify and hold harmless each present and former director, officer and employee of Delta Bancorp or Delta Bank against certain liabilities for a period of six years following the effective time of the merger and to allow Delta Bancorp to purchase “tail coverage” for a period of six years in order to continue providing liability insurance, including directors’ and officers’ liability insurance, to the officers and directors of Delta Bancorp and Delta Bank.

Consulting Agreements

Warren Wegge, Delta Bancorp’s Chief Executive Officer and a director, and Valerie and Toinette Rossi, officers and directors of Delta Bancorp (collectively referred to herein as the “Consultants”), will each enter into a consulting agreement (“Consulting Agreements”) with F&M Bank, to be effective as of the closing of the merger, and provide compensation to those individuals for continued provision of services to F&M Bank following the merger. Each of the Consulting Agreements provide that the Consultants will provide service to the F&M Bank, which service shall include, but not be limited to: (i) providing historical context regarding the products, customers and operations of Delta Bancorp; (ii) assisting with the integration of the operations of the two institutions, (iii) transitioning existing client relationships; and (iv) representing F&M Bank in the community. The consulting agreements with Valerie

Rossi and Toinette Rossi provide for a term of 12 months, a compensation rate of \$4,000 per month, and the reimbursement of reasonable out-of-pocket expenses. The consulting agreement with Mr. Wegge provides for a month-to-month term, a compensation rate of \$20,000 per month, and the reimbursement of reasonable out-of-pocket expenses. F&M Bank will retain all work product, as such term is defined in the Consulting Agreements, generated by the Consultants. The form of consulting agreements are attached as Annex F to the merger agreement, which is attached as Appendix A to this proxy statement/prospectus.

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Other than as set forth above, no director or officer of Delta Bancorp has any direct or indirect material interest in the merger, except insofar as ownership of Delta Bancorp common stock or preferred stock might be deemed such an interest.

Material Federal Income Tax Consequences

The following is a general description of the anticipated material U.S. federal income tax consequences of the merger. This discussion is based upon the Code, Treasury regulations, judicial authorities and published positions of the IRS, all as currently in effect and all of which are subject to change. Accordingly, the U.S. federal income tax consequences of the merger to the holders of Delta Bancorp common stock could differ from those described below. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under and U.S. federal laws other than those pertaining to income tax. This discussion also does not address the tax consequences of any transaction other than the merger. This discussion relies upon certain representations made by F&M Bancorp, F&M Bank, Delta Bancorp and Delta Bank, and is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, judicial authorities, published positions of the Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations (possibly with retroactive effect).

Except as specifically stated herein, this discussion is limited to U.S. holders (as defined below) that hold shares of Delta Bancorp common stock and/or preferred stock as a capital asset within the meaning of Section 1221 of the Code for U.S. federal income tax purposes. This discussion does not address the tax consequences applicable to Delta Bancorp shareholders that are not U.S. holders, nor does it address all of the tax consequences that may be relevant to particular U.S. holders that are subject to special treatment under U.S. federal income tax laws, including, without limitation, financial institutions, insurance companies, partnerships and other pass through entities, tax exempt organizations, regulated investment companies, real estate investment trusts, dealers in securities or currencies, U.S. persons whose functional currency is not the U.S. dollar, traders in securities that elect to use a mark to market method of accounting, persons that hold Delta Bancorp common stock as part of a straddle, hedge, constructive sale or conversion transaction, and U.S. holders that acquired their shares of Delta Bancorp common and/or preferred stock as compensation, those subject to the alternative minimum tax provisions of the Code, or those subject to tax under Sections 877 or 877A of the Code as a U.S. expatriate.

If a partnership or other entity taxed as a partnership holds Delta Bancorp common and/or preferred stock, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partnership. Partnerships holding Delta Bancorp common and/or preferred stock and partners in such partnerships should consult with their tax advisors about the tax consequences of the merger to them.

For purposes of this section, the term "U.S. holder" means a beneficial owner of Delta Bancorp common stock that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state or the District of Columbia or a political subdivision thereof, (iii) an estate that is subject to U.S. federal income tax on its income regardless of its source, or (iv) a trust, the substantial decisions of which are controlled by one or more U.S. persons and which is subject to the primary supervision of a U.S. court, or that has validly elected under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

Tax Consequences of the Merger

The parties intend for the merger to qualify as a "reorganization" under Section 368(a) of the Code for U.S. federal income tax purposes. As a condition to the completion of the merger, Crowe is required to deliver an opinion, dated the closing date of the merger, to the effect that the merger will be treated as a "reorganization" for U.S. federal income

tax purposes within the meaning of Section 368(a) of the Code. The opinion will assume that the merger will be completed according to the terms of the merger agreement and that the parties will report the merger in a manner consistent with the opinion. The opinion will rely on the facts as stated in the merger agreement, the Registration Statement on Form S-4 filed by F&M Bancorp in connection with the merger (of which this proxy statement/prospectus is a part) and certain other documents. In rendering the opinion, Crowe will rely on the representations of F&M Bancorp and Delta Bancorp, to be delivered at the time of closing (and counsel will assume that any representation that is qualified by belief, knowledge or materiality is true, correct and complete without such qualification). If any assumption or representation is or becomes inaccurate, the U.S. federal income tax consequences of the merger could be adversely affected. The opinion will be based on statutory, regulatory and judicial authority existing as of the date of the opinion.

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A tax opinion represents such firm's best judgment but is not binding on the IRS or on any court. Neither F&M Bancorp nor Delta Bancorp intends to request any ruling from the IRS as to the U.S. federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences set forth below or any of the tax consequences described in the opinion.

Based on representations to be contained in representation letters of officers of F&M Bancorp and Delta Bancorp, all of which must continue to be true and accurate in all material respects as of the effective time of the merger, and subject to the other matters set forth above, it is the opinion of Crowe that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Based upon the foregoing, the material U.S. federal income tax consequences of the merger will be as described below.

Tax Consequences of the Merger for F&M Bancorp and Delta Bancorp

No gain or loss will be recognized by F&M Bancorp or Delta Bancorp as a result of the merger.

Tax Consequences of the Merger for U.S. Holders of Delta Bancorp Common Stock

A U.S. holder that exchanges all of their shares of Delta Bancorp common stock solely for shares of F&M Bancorp common stock pursuant to the merger will not recognize gain or loss in connection with such exchange, except with respect to cash received in lieu of fractional shares.

A U.S. holder's aggregate tax basis in the F&M Bancorp common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below under "—Material Federal Income Tax Consequences - Cash in Lieu of Fractional Shares of F&M Bancorp Common Stock," will equal such U.S. holder's aggregate tax basis in the Delta Bancorp common stock surrendered by such U.S. holder in the merger. The holding period for the shares of F&M Bancorp common stock received by such U.S. holder in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below under "—Material Federal Income Tax Consequences - Cash in Lieu of Fractional Shares of F&M Bancorp Common Stock," will include the holding period for the shares of Delta Bancorp common stock exchanged therefor.

Cash in Lieu of Fractional Shares of F&M Bancorp Common Stock

A U.S. holder that receives cash instead of a fractional share of F&M Bancorp common stock will be treated as having received the fractional share of F&M Bancorp common stock pursuant to the merger and then having exchanged the fractional share of F&M Bancorp common stock for cash in a redemption by F&M Bancorp. In general, this deemed redemption will be treated as a sale or exchange and a U.S. holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of Delta Bancorp common stock allocable to such fractional interest. Such gain or loss will constitute capital gain or loss and will be long term capital gain or loss if the U.S. holder's holding period for the Delta Bancorp common stock exchanged by such U.S. holder is greater than one year as of the effective time of the merger. Long term capital gains of non corporate U.S. holders are generally subject to reduced rates of taxation. The deductibility of capital losses is subject to limitations. Capital gains recognized by individuals, trusts and estates also may be subject to a 3.8% federal Medicare contribution tax on "net investment income" as provided in Section 1411 of the Code.

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Notwithstanding the previous paragraph, if the receipt of the cash has the effect of the distribution of a dividend to the U.S. holder, as described above, all or portion of the cash would be treated as ordinary dividend income as described above.

Tax Consequences of the Merger for U.S. Holders of Delta Bancorp Common Stock who also hold Delta Bancorp Preferred Stock

Holders of Delta Bancorp common stock who received F&M Bancorp common stock and who also receive cash for their Delta Bancorp preferred stock will recognize gain, but not loss, for U.S. federal income tax purposes in an amount equal to the lesser of (1) the amount of cash received by such holder in the merger and (2) an amount equal to the excess, if any, of (a) the sum of the amount of cash plus the fair market value of the shares of F&M Bancorp common stock received by such holder in the merger, over (b) such holder's tax basis in the Delta Bancorp common stock and preferred stock.

Such gain will constitute capital gain and will be long-term capital gain if the U.S. holder's holding period for the Delta Bancorp common stock and preferred stock exchanged by such U.S. holder is greater than one year as of the effective time of the merger. Long-term capital gains of non-corporate U.S. holders are generally subject to reduced rates of taxation. Capital gains recognized by individuals, trusts and estates also may be subject to a 3.8% federal Medicare contribution tax on "net investment income" as provided in Section 1411 of the Code.

Information Reporting and Backup Withholding

Cash payments received in the merger by a U.S. holder may, under certain circumstances, be subject to information reporting and backup withholding at a current rate of 28% of the cash payable to the U.S. holder, unless the U.S. holder provides proof of an applicable exemption, furnishes its taxpayer identification number (in the case of individuals, their social security number) and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a U.S. holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Reporting Requirements

A U.S. holder that receives shares of F&M Bancorp common stock as a result of the merger will be required to retain records pertaining to the merger. Each U.S. holder that is required to file a U.S. tax return and that is a "significant holder" that receives F&M Bancorp common stock in the merger will be required to file a statement with the significant holder's U.S. federal income tax return setting forth such significant holder's basis (determined immediately before the exchange) in the Delta Bancorp common stock surrendered and the fair market value (determined immediately before the exchange) of the Delta Bancorp common stock that is exchanged by such significant holder. A "significant holder" is a U.S. holder that receives shares of F&M Bancorp common stock in the merger and that, immediately before the merger, owned at least 5% of the outstanding stock of Delta Bancorp (by vote or value) or securities of Delta Bancorp with a tax basis of \$1 million or more.

THE FOREGOING DISCUSSION IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER. THE FOREGOING IS NOT A SUBSTITUTE FOR AN INDIVIDUAL ANALYSIS OF THE TAX CONSEQUENCES OF THE MERGER TO DELTA BANCORP SHAREHOLDERS. MOREOVER, THE DISCUSSION DOES NOT ADDRESS ANY NON-INCOME TAX OR ANY FOREIGN, STATE OR LOCAL TAX CONSEQUENCES OF THE MERGER. DELTA BANCORP SHAREHOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE MERGER IN THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL (INCLUDING THE ALTERNATIVE

MINIMUM TAX), STATE, LOCAL OR FOREIGN AND OTHER TAX LAWS AND OF CHANGES IN THOSE LAWS.

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Accounting Treatment of the Merger

In accordance with current accounting guidance, the merger will be accounted for using the acquisition method. The result of this is that (1) the recorded assets and liabilities of F&M Bancorp will be carried forward at their recorded amounts, (2) F&M Bancorp historical operating results will be unchanged for the prior periods being reported on and (3) the assets and liabilities of Delta Bancorp will be adjusted to fair value at the date F&M Bancorp assumes control of the combined entities (the "merger date"). In addition, all identifiable intangibles will be recorded at fair value and included as part of the net assets acquired. The amount by which to the extent the purchase price, consisting of the value of cash and shares of F&M Bancorp common stock to be issued to former Delta Bancorp shareholders exceeds the fair value of the net assets including identifiable intangibles of Delta Bancorp at the merger date will be reported as goodwill. If the fair value of the net assets, including identifiable intangible assets, exceeds the purchase price, a bargain purchase gain would be recorded at the acquisition date. In accordance with current accounting guidance, goodwill is not amortized and will be evaluated for impairment at least annually. Identified intangibles will be amortized over their estimated lives. Further, the acquisition method of accounting results in the operating results of Delta Bancorp being included in the operating results of F&M Bancorp from the merger date forward.

Expenses of the Merger

Each of Delta Bancorp and F&M Bancorp will bear and pay all costs and expenses incurred by it in connection with the transactions contemplated by the merger agreement, including fees and expenses of its own financial consultants, accountants and counsel except in connection with termination fees that might be due and owing.

Resale of F&M Bancorp Common Stock

The shares of common stock that Delta Bancorp shareholders receive as a result of the merger will be registered under the Securities Act. Delta Bancorp shareholders may freely trade these shares of F&M Bancorp common stock if such Delta Bancorp shareholder is not considered an "affiliate" of F&M Bancorp, as that term is defined in the federal securities laws. No shareholder of Delta Bancorp is expected to be an affiliate of F&M Bancorp after the merger.

Warren Wegge, Theodore Poulos, Valerie Rossi and Toinette Rossi will enter into post-closing shareholder agreements with F&M Bancorp restricting their ability to sell or transfer the shares of F&M Bancorp common stock that they receive in the merger. The form of the post-closing shareholder agreement is attached as Annex F to the merger agreement, which is attached as Appendix A to this proxy statement/prospectus.

Shareholder Agreements

In connection with the execution of the merger agreements, executive officers and directors of Delta Bancorp entered into a shareholder agreement with F&M Bancorp pursuant to which each such executive officer and director agreed that at any meeting of the shareholders of Delta Bancorp, or in connection with any written consent of the shareholders of Delta Bancorp, the executive officer and director shall:

appear at such Delta Bancorp meeting or otherwise cause all shares of Delta Bancorp common and/or preferred stock owned by him to be counted as present thereat for purposes of calculating a quorum; and

vote (or cause to be voted), in person or by proxy, or deliver a written consent (or cause a consent to be delivered) covering, all shares of Delta Bancorp common and preferred stock beneficially owned by him or as to which he has, directly or indirectly, the right to direct the voting;

in favor of adoption and approval of the merger, the merger agreement and the transactions contemplated by the merger agreement;

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against any action or agreement that could reasonably be expected to result in a breach of any covenant, representation or warranty or any other obligation or agreement of Delta Bancorp contained in the merger agreement or of the director or officer contained in the shareholder agreement; and

against any acquisition proposal (as defined in “—No Solicitation”) or any other action, agreement or transaction that is intended, or could reasonably be expected, to materially impede, interfere or be inconsistent with, delay, postpone, discourage or materially and adversely affect consummation of the merger or the performance of his, her, or its obligations under the shareholder agreement.

Pursuant to the shareholder agreement, each Delta Bancorp executive officer and director also agreed that, while the shareholder agreement is in effect, not to, directly or indirectly, sell, transfer, pledge, encumber (except for pledges or encumbrances existing as of the date of the shareholder agreement), distribute by gift, or otherwise dispose of any of the shares whether by actual disposition, physical settlement, or effective economic disposition through hedging transactions; nor to enter into any agreement with any person that violates shareholder’s representations, warranties, covenants, and obligations under the shareholder agreement; nor to take any other action that reasonably could be expected to adversely effect, in any material respect, shareholder’s power, authority, and ability to comply with and perform his, her, or its covenants and obligations under the shareholder agreement. Each Delta Bancorp executive officer and director also agreed not to deposit any shares in a voting trust, grant any proxy, or enter into any voting agreement or similar agreement or arrangement with respect to any shares.

In addition, each Delta Bancorp executive officer and director agreed that, for a period of 2 years following the consummation of the merger, they will not:

solicit (other than general solicitations through newspapers or other media of general circulation not targeted at such employees) any employees of Delta Bancorp or its subsidiaries prior to consummation of the merger;

induce, persuade, encourage or influence or attempt to induce, persuade, encourage or influence any person or entity having a business relationship with F&M Bancorp, F&M Bank, its subsidiaries or any of their affiliates to discontinue, reduce or restrict such relationship or solicit or target depositors, borrowers or customers of Delta Bancorp or its subsidiaries on the date of the merger agreement and/or as of the date the merger is consummated, whether by personal contact, by telephone, by facsimile, by mail or other form of solicitation or communication, or in any other way, except for general solicitations that are directed to the general public and not directed specifically to persons who were depositors, borrowers or customers of Delta Bancorp, F&M Bancorp or their subsidiaries on the date of the merger agreement or as of the date the merger is consummated;

disparage F&M Bancorp, its subsidiaries or any of their affiliates; or

use, reveal, report, publish or disclose any trade and business secret, proprietary and confidential information or Delta Bancorp materials. “Trade and business secrets” means information, including a formula, pattern, compilation, program, device, method, technique or process that derives independent economic value, actual or potential from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. “Proprietary and confidential information” means trade secrets, computer programs, designs, technology, ideas, know-how, processes, formulas, compositions, data, techniques, improvements, inventions (whether patentable or not), works of authorship, or other information concerning Delta Bancorp’s or its subsidiaries’ business activities, customers or employees. “Delta Bancorp materials” means documents or other media or tangible items that contain or embody proprietary and confidential information or any other information concerning the business, operations or plans of Delta Bancorp or its subsidiaries and its customers and prospective customers, irrespective of who prepared such documents.

Except for the non-solicitation provisions referenced in the paragraph above, which will survive for a period of 2 years following the consummation of the merger, the shareholder agreements shall remain in effect until the earlier to occur of the date, if any, of termination of the merger agreement in accordance with its terms, or the effective time of the merger.

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Dissenters' Rights

Delta Bancorp shareholders have the right to dissent from the merger and assert dissenters' rights, provided the requirements of the CGCL are followed. Any Delta Bancorp shareholder electing to exercise dissenters' rights must strictly comply with the provisions of Chapter 13 of the CGCL.

The following is intended to be a summary of the material provisions of the California statutory procedures required to be followed Delta Bancorp shareholders in order to demand and perfect dissenters' rights. This summary, however, is not a complete statement of all applicable requirements and is qualified in its entirety by reference to Chapter 13 of the CGCL. The full text of these dissenters' provisions is reproduced in its entirety in Appendix C to this proxy statement/prospectus. If a Delta Bancorp shareholder wishes to consider exercising dissenters' rights, they should carefully review the text of Chapter 13 of the CGCL, since failure to timely and properly comply with the requirements of Chapter of the CGCL will result in the loss of dissenters' rights under California law.

Chapter 13 of the CGCL provides Delta Bancorp shareholders who do not vote "FOR" approval of the merger agreement with the right, subject to compliance with the requirements summarized below, to dissent and demand the payment of, and to be paid in cash for, the fair market value of the shares of Delta Bancorp common stock owned by such Delta Bancorp shareholders as of August 26, 2016, the record date for Delta Bancorp's annual meeting to consider and vote upon the merger agreement. The fair market value of shares of Delta Bancorp common stock is determined as of June 8, 2016, which was the day of, and immediately prior to, the first public announcement of the terms of the merger.

Not Vote "FOR" the Merger Agreement

Any Delta Bancorp shareholder who desires to exercise dissenters' rights must not have voted his, her or its shares of Delta Bancorp common stock "FOR" approval of the merger agreement. If a Delta Bancorp shareholder returns a proxy without voting instructions or with instructions to vote "FOR" approval of the merger agreement, or votes in person at the Delta Bancorp annual meeting "FOR" approval of the merger agreement, his, her or its shares of Delta Bancorp common stock will be counted as votes in favor of the merger agreement and such shareholder will lose any dissenters' rights. Thus, if a Delta Bancorp shareholder wishes to dissent and executes and returns a proxy, the proxy must specify that their shares of Delta Bancorp common stock are to be voted "AGAINST" or "ABSTAIN" with respect to approval of the merger agreement.

Written Demand for Payment

To preserve dissenters' rights, a Delta Bancorp shareholder must make a written demand for the purchase of their shares of Delta Bancorp common stock and payment to them of the fair market value of their shares of Delta Bancorp common stock within 30 days after the date on which notice of Delta Bancorp shareholder approval (as described immediately below) of the merger agreement is mailed. Simply failing to vote for, or voting against, the merger agreement does not constitute a proper written demand under the CGCL. To comply with the requirements under the CGCL, the written demand must:

be received by Delta Bancorp (or F&M Bancorp, as Delta Bancorp's successor if the merger has been consummated) not later than 30 days after the date on which the notice of approval is mailed;

specify the shareholder's name and mailing address and the number of shares of Delta Bancorp common stock held of record which the shareholder demands that Delta Bancorp (or F&M Bancorp, as its successor) purchase;

state that the Delta Bancorp shareholder is demanding purchase of their shares of Delta Bancorp common stock and payment of the fair market value of such shares; and

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state the price that the Delta Bancorp shareholder claims to be the fair market value of their shares of Delta Bancorp common stock as of June 8, 2016, which statement of fair market value constitutes an offer by the Delta Bancorp shareholder to sell their shares of Delta Bancorp common stock to Delta Bancorp (or F&M Bancorp, as its successor) at that price.

Any written demands for payment from Delta Bancorp shareholders should be sent to Delta Bancorp at Delta National Bancorp, 611 North Main Street, Manteca, California 95336, Attention: Corporate Secretary. In the event the merger is consummated before the end of the 30 day period described above, the submissions may be made to F&M Bancorp at Farmers & Merchants Bancorp, 111 West Pine Street, Lodi, California 95241, Attention: Corporate Secretary. Shares of Delta Bancorp common stock held by shareholders who have perfected their dissenters' rights in accordance with Chapter 13 of the CGCL and have not withdrawn their demands or otherwise lost their dissenters' rights are referred to in this summary as "dissenting shares."

Notice of Approval

If Delta Bancorp's shareholders approve the merger agreement, Delta Bancorp (or F&M Bancorp, as its successor) is required within ten (10) days after the approval to send to those Delta Bancorp shareholders who did not vote "FOR" approval of the merger agreement a written notice of Delta Bancorp shareholder approval, accompanied by a copy of Sections 1300, 1302, 1303 and 1304 of the CGCL, a statement of the price determined by Delta Bancorp (or F&M Bancorp, as its successor) to represent the fair market value of the dissenting shares as of June 8, 2016, and a brief description of the procedure to be followed if the Delta Bancorp shareholder desires to exercise the shareholder's dissenters' right under the CGCL. It is anticipated that Delta Bancorp (or F&M Bancorp, as its successor) will represent that the fair market value of the stock was \$7.90 as of June 8, 2016, the day of and immediately prior to the first announcement of the merger. The statement of price determined by Delta Bancorp (or F&M Bancorp, as its successor) to represent the fair market value of dissenting shares, as set forth in the notice of approval, will constitute an offer by Delta Bancorp (or F&M Bancorp, as its successor) to purchase the dissenting shares at the stated price if the merger closes and the dissenting shares do not otherwise lose their status as such. Within 30 days after the date of the mailing of the notice of Delta Bancorp shareholder approval, a dissenting Delta Bancorp shareholder must submit to Delta Bancorp (or F&M Bancorp, as its successor), or Delta Bancorp's transfer agent, for endorsement as dissenting shares, the stock certificates representing their shares of Delta Bancorp common stock as to which such Delta Bancorp shareholder is exercising dissenter's rights. If the dissenting shares are uncertificated, then the Delta Bancorp shareholder must provide written notice of the number of shares of Delta Bancorp common stock which the shareholder demands that Delta Bancorp (or F&M Bancorp, as its successor) purchase within 30 days after the date of the mailing of the notice of Delta Bancorp shareholder approval.

Submissions can be made to Delta Bancorp (or F&M Bancorp, as successor) as described above, or to Delta Bancorp's transfer agent, Computershare.

Payment of Agreed Upon Price

If Delta Bancorp (or F&M Bancorp, as its successor) and a dissenting Delta Bancorp shareholder agree that the shareholder's shares Delta Bancorp common stock are dissenting shares and agree upon the price of the dissenting shares, the dissenting Delta Bancorp shareholder is entitled to receive the agreed price with interest at the legal rate on judgments from the date of that agreement. Payment for the dissenting shares must be made within 30 days after the later of the date of that agreement or the date on which all statutory and contractual conditions to the mergers are satisfied. Payments are also conditioned on the surrender of the certificates representing the dissenting shares.

Determination of Dissenting Shares or Fair Market Value

If Delta Bancorp (or F&M Bancorp, as its successor) denies that the dissenting Delta Bancorp shareholder's shares of Delta Bancorp common stock are dissenting shares, or Delta Bancorp and the Delta Bancorp shareholder fail to agree upon the fair market value of the dissenting shares, then, within six months after the notice of Delta Bancorp shareholder approval of the merger is sent by Delta Bancorp (or F&M Bancorp, as its successor), any Delta Bancorp shareholder demanding purchase of their shares of Delta Bancorp common stock as dissenting shares or any interested corporation may file a complaint in the superior court in the proper county praying the court to determine whether the shares of Delta Bancorp common stock are dissenting shares or the fair market value of the dissenting shares, or both, or may intervene in any action pending on such a complaint. If a complaint is not filed or intervention in a pending action is not made within the specified six month period, the dissenters' rights are lost. If the fair market value of the dissenting shares is at issue, the court will determine, or will appoint one or more impartial appraisers to determine, such fair market value.

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On the trial of the action, the court determines the issues. If the status of the Delta Bancorp shareholder's shares of Delta Bancorp common stock as dissenting shares is in issue, the court first determines that issue. If the fair market value of the dissenting shares is in issue, the court determines, or appoints one or more impartial appraisers to determine, the fair market value of the dissenting shares.

If the court appoints an appraiser or appraisers, the appraiser or appraisers shall proceed to determine the fair market value per share. Within the time fixed by the court, the appraisers, or a majority of the appraisers, shall make and file a report in the office of the clerk of the court. Thereafter, on the motion of any party, the report shall be submitted to the court and considered on such evidence as the court considers relevant. If the court finds the report reasonable, the court may confirm it.

If the appraiser or appraisers fail to make and file a report within 10 days after the date of their appointment or within such further time as the court allows, or if the court does not confirm the report, the court will determine the fair market value of the dissenting shares. Subject to Section 1306 of the CGCL, the court will render a judgment against Delta Bancorp (or F&M Bancorp, as its successor) for payment of an amount equal to the fair market value (as confirmed or determined by the court) of each dissenting share multiplied by the number of dissenting shares that any dissenting shareholder who is a party, or who has intervened, is entitled to require Delta Bancorp (or F&M Bancorp, as its successor) to purchase, with interest at the legal rate from the date on which the judgment is entered. Any party may appeal from the judgment.

The costs of the action, including reasonable compensation to the appraiser or appraisers to be fixed by the court, is assessed or apportioned as the court considers equitable. However, if the appraisal determined by the court is more than the price offered by Delta Bancorp (or F&M Bancorp, as successor), Delta Bancorp (or F&M Bancorp, as successor) will pay the costs, which may include, at the court's discretion, attorneys' fees, fees of expert witnesses and interest at the legal rate on judgments from the date the shareholder made the demand and submitted shares for endorsement if the value awarded by the court for the shares is more than 125% of the price offered by Delta Bancorp (or F&M Bancorp, as successor).

Maintenance of Dissenting Share Status

Except as expressly limited by Chapter 13 of the CGCL, holders of dissenting shares continue to have all the rights and privileges incident to their shares of Delta Bancorp common stock until the fair market value of their shares of Delta Bancorp common stock is agreed upon or determined. A holder of dissenting shares may not withdraw a demand for payment unless Delta Bancorp (or F&M Bancorp, as its successor) consents to the withdrawal.

Dissenting shares lose their status as dissenting shares, and dissenting Delta Bancorp shareholders cease to be entitled to require Delta Bancorp (or F&M Bancorp, as its successor) to purchase their shares of Delta Bancorp common stock, upon the happening of any of the following:

- the merger is abandoned;

- their shares of Delta Bancorp common or preferred stock are transferred before their submission for the required endorsement;

- the dissenting Delta Bancorp shareholder Delta Bancorp (or F&M Bancorp, as its successor) do not agree on the status of the dissenting Delta Bancorp shareholder's shares of Delta Bancorp common stock as dissenting shares or do not agree on the purchase price, but neither Delta Bancorp (or F&M Bancorp, as its successor) nor the shareholder files a complaint or intervenes in a pending action within six months after the date on which Delta Bancorp (or F&M Bancorp, as its successor) mails a notice that Delta Bancorp's shareholders have approved the merger; or

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with the consent of Delta Bancorp (or F&M Bancorp, as its successor), the dissenting Delta Bancorp shareholder withdraws its demand for purchase of the dissenting shares.

Delta Bancorp shareholders should be aware that the fair value of any shares of Delta Bancorp common stock as determined under Section 1300 of the CGCL could be more, the same, or less than the merger consideration. Investment banker opinions as to the fairness from a financial point of view of the consideration payable in a transaction such as the merger are not an opinion as to, and do not in any way address, fair value under Section 1300 of the CGCL.

The failure of a Delta Bancorp shareholder to comply strictly with the CGCL requirements will result in a loss of dissenters' rights. A copy of the relevant statutory provisions is attached as Appendix C. Delta Bancorp shareholders are urged to refer to Appendix C for a complete statement concerning dissenters' rights. The foregoing summary of such rights is qualified in its entirety by reference to Appendix C.

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MARKET FOR COMMON STOCK AND DIVIDENDS

F&M Bancorp Market Information and Dividends

F&M Bancorp's common stock is traded on the OTCQX under the symbol "FMCB." As of September 7, 2016, there were 792,387 shares of F&M Bancorp common stock outstanding, which were held by 1,447 holders of record. Such numbers of shareholders do not reflect the number of individuals or institutional investors holding stock in nominee name through banks, brokerage firms and others.

The following table summarizes the actual high, low, and close sale prices for F&M Bancorp's common stock since the third quarter of 2013. These figures are based on activity posted on the OTCQX and on private transactions between individual shareholders that are reported to F&M Bancorp.

	F&M Bancorp Market Price		Cash Dividend per Share
	High	Low	
2016			
Third Quarter (through September 7, 2016)	\$600.00	\$575.00	
Second Quarter	645.00	525.00	\$ 6.55
First Quarter	644.00	501.00	
2015			
Fourth Quarter	\$585.00	\$510.00	\$ 6.50
Third Quarter	532.00	500.00	
Second Quarter	585.00	450.00	6.40
First Quarter	506.00	460.00	
2014			
Fourth Quarter	\$466.00	\$450.00	\$ 6.40
Third Quarter	445.00	430.00	
Second Quarter	451.00	420.00	6.30
First Quarter	448.00	417.00	
2013			
Fourth Quarter	\$417.00	\$405.00	\$ 6.30
Third Quarter	420.00	400.00	

The last reported trade of F&M Bancorp's common stock prior to the mailing of this proxy statement/prospectus was on September 7, 2016, at \$600.00. The last reported trade of F&M Bancorp's common stock on the date prior to the announcement of the merger was on June 7, 2016, at \$600.00.

F&M Bancorp and, before it was formed, F&M Bank, have paid cash dividends for the past 82 consecutive years. F&M Bancorp pays semi-annual dividends and paid a total of \$12.90 in cash dividends for 2015. For the first half of 2016, F&M Bancorp paid a cash dividend of \$6.55 per share. It is anticipated that the cash dividend for the second half of 2016 will be declared on or about November 8, 2016, with a record date in December and that Delta Bancorp shareholders who receive shares of F&M Bancorp common stock in the merger will receive such dividend.

Delta Bancorp Market Information and Dividends.

Delta Bancorp's equity securities consist of common stock and preferred stock, of which there were 380,303 shares of common stock and 110,000 shares of preferred stock outstanding, held by 225 and two shareholders of record, respectively, on August 26, 2016. Such number of shareholders does not reflect the number of individuals or institutional investors holding stock in nominee name through banks, brokerage firms and others.

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Trading in Delta Bancorp's common stock has not been extensive and such trades cannot be characterized as constituting an active trading market. Delta Bancorp's common stock is not listed on any national securities exchange, although it is quoted on the OTC Pink under the ticker symbol "DEBC." Trades may also occur in unreported private transactions. To Delta Bancorp's knowledge, none of the shares of its preferred stock have ever been traded.

The following table sets forth the high and low closing bids for shares of Delta Bancorp's common stock for the periods indicated. Bid prices are based on information received from the OTC Pink based on all transactions reported on the OTC Pink. Such information reflects inter dealer prices, without retail markups, markdowns or commissions and may not reflect actual transactions.

	Closing Information	
	High	Low
2016		
Third Quarter (through September 7, 2016)	\$17.12	\$16.50
Second Quarter	16.50	7.90
First Quarter	8.10	7.85
2015		
Fourth Quarter	8.10 *	8.00 *
Third Quarter	8.00 *	8.00 *
Second Quarter	8.00 *	8.00 *
First Quarter	8.00 *	8.00 *
2014		
Fourth Quarter	8.10 *	7.00 *
Third Quarter	7.00 *	7.00 *
Second Quarter	7.00 *	7.00 *
First Quarter	7.00	7.00
2013		
Fourth Quarter	7.00 *	7.00 *
Third Quarter	7.00 *	7.00 *
*no shares were traded this quarter. The high and low trading price reflect the dollar amount of the most recently reported trade.		

The last reported trade of Delta Bancorp's common stock prior to the mailing of this proxy statement/prospectus was on September 7, 2016, at \$17.12. The last reported trade of Delta Bancorp's common stock on the date prior to the announcement of the merger was, on January 28, 2016 at \$7.90.

Delta Bancorp has not paid or declared any dividends on its common stock since 2008. Payment of stock or cash dividends in the future will depend upon its earnings and financial condition and other factors deemed relevant by its board of directors, as well as its legal ability to pay dividends, which are discussed in the "Comparison of the Rights of Shareholders—Dividends" below. Pursuant to the merger agreement, Delta Bancorp is restricted from paying dividends to its shareholders pending the closing of the merger. See "– The Merger—Business Pending the Merger."

INFORMATION ABOUT F&M BANCORP

General

F&M Bancorp is a California based bank holding company for F&M Bank, a California chartered commercial bank. F&M Bancorp's principal asset is all of the capital stock of F&M Bank. F&M Bank provides banking services to businesses, professionals, real estate investors, non-profit organizations and consumers in its primary market area of Central California through 24 locations in the cities of Concord, Elk Grove, Galt, Hilmar, Linden, Lodi, Merced, Modesto, Sacramento, Stockton, Turlock, and Walnut Creek, California. Through F&M Bank's branches and its Internet website at www.fmbonline.com, F&M Bank offers a broad array of deposit products and services for both businesses and consumer customers, including checking, money market and savings accounts, cash management services, electronic banking services, and on-line bill payment. F&M Bank also offers a wide array of loan products, such as commercial, real estate construction, agribusiness, consumer, credit card, real estate loans, and equipment leases. Commercial products include term loans, lines of credit and other working capital financing and letters of credit. Financing products for individuals include automobile financing, lines of credit, residential real estate, home improvement and home equity lines of credit.

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As of June 30, 2016, F&M Bancorp had, on a consolidated basis, total assets of \$2.7 billion, total stockholders' equity of \$265.3 million and total deposits of \$2.3 billion. Earnings for the six months ended June 30, 2016 were \$14.5 million compared to \$13.2 million for the first six months of 2015.

F&M Bancorp's principal executive offices are located at 121 W. Pine Street, Lodi, California 95240 and its telephone number is (209) 367-2300.

Management, Financial Information and Additional Information

Certain information relating to director and executive compensation, benefit plans, voting securities and the principal holders thereof, certain relationships and related transactions, financial statements and other related matters as to F&M Bancorp is incorporated by reference or set forth in F&M Bancorp's annual report on Form 10-K for the year ended December 31, 2015, which is incorporated herein by reference. Shareholders wishing to obtain a copy of such document may contact F&M Bancorp at its address or telephone number indicated under "Where You Can Find More Information."

INFORMATION ABOUT DELTA BANCORP

General

Delta Bancorp is a bank holding company. Its principal activity is the ownership and operation of Delta Bank. Delta Bancorp was incorporated in California on December 21, 1981, for the purpose of acquiring all of the outstanding stock of Delta Bank through a stock-for-stock exchange. Delta Bancorp is a legal entity separate and distinct from Delta Bank. Delta Bancorp's operating revenues and net income are derived primarily from cash dividends received from Delta Bank.

Delta Bank is a national banking association headquartered in Manteca, California. Delta Bank was chartered in 1973 as First National of Riverbank. The name was changed in 1975 to Delta National Bank and again was changed in 2007 to Delta Bank, National Association. Delta Bank provides commercial and retail banking services through its four branch offices in the cities of Manteca, Modesto, Riverbank and Turlock, California. The banking products offered by Delta Bank include checking and savings accounts, business checking accounts, time deposits and money market accounts. Delta Bank also offers internet banking services, bill payment, cash management services, remote deposit capture, retirement account services and cash management services.

At June 30, 2016, Delta Bancorp had total assets of \$109.1 million, total deposits of \$100.1 million, total loans of \$40.8 million, and total shareholders' equity of \$8.6 million. Delta Bancorp has approximately 225 shareholders of record. Delta Bancorp's stock trades on the OTC Pink under the symbol "DEBC."

Delta Bancorp's main office is located at 611 North Main Street, Manteca, CA 95336, and its telephone number is (209) 824-4000.

Subsidiaries

Delta Bancorp has one subsidiary, Delta Bank. Delta Bank has no subsidiaries.

Bank Activities

Delta Bank operates with a community banking philosophy emphasizing long-term customer relationships based on service and convenience. Delta Bank offers a variety of traditional loan and deposit products to its customers, which are mainly small- and medium-sized businesses and individual consumers. For businesses, Delta Bank provides term

loans, lines of credit and loans for working capital, business expansion and the purchase of equipment and machinery, interim construction loans for builders and owner occupied commercial real estate loans. Delta Bank also offers agricultural and agribusiness loans. Delta Bank offers all of its customers a full array of cash management and traditional deposit services.

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Competition

The banking business is highly competitive. Delta Bank competes in its market area with some of the largest banking organizations in the West and nationally, almost all of which have numerous branches in California. Delta Bank competes not only against other banking organizations, but also against a wide range of financial service providers, including federally- and state-chartered savings and loan institutions, credit unions, investment and brokerage firms and small-loan or consumer finance companies. Delta Bank also experiences competition from internet banks, particularly in the area of time deposits. Delta Bank expects competition from both financial and non-financial institutions to continue.

Many competitors are significantly larger and have greater resources than Delta Bank. In addition, many of these competitors have substantially higher lending limits due to their greater total capitalization, and some perform functions for their clients that Delta Bank generally does not offer. Competition among financial institutions of all types is virtually unlimited with respect to legal ability and authority to provide most financial services. As a result of interstate banking legislation, Delta Bank's market is open to future penetration by out-of-state banks, thereby further increasing future competition.

To counter its competitive disadvantages, Delta Bank attempts to differentiate itself from its larger competitors with its focus on relationship banking, personalized services, direct customer contact, and its ability to make credit and other business decisions locally. Delta Bank also depends on its reputation as a community bank in its markets and its involvement in the communities it serves.

Legislative changes, as well as technological and economic factors, can be expected to have an ongoing impact on competitive conditions within the financial services industry. While the future impact of regulatory and legislative changes cannot be predicted with certainty, the business of banking will remain highly competitive.

Employees

Delta Bancorp does not have any employees. At June 30, 2016, Delta Bank employed a full-time staff of 28 employees and a part-time staff of 8 employees.

Properties

At June 30, 2016, Delta Bank operated 4 locations in the Central Valley of California. The following table sets forth the locations of and certain information about Delta Bank's locations as of June 30, 2016:

<u>Location</u>	<u>Year Opened</u>	<u>Approximate Square Footage</u>	<u>Owned or Leased</u>
Main Office 611 North Main Street Manteca, CA 95336	1975	15,288	Owned by Delta Bancorp
Modesto Branch 2711 McHenry Avenue Modesto, CA 95350	1998	5,067	Owned
Riverbank Branch 2401 Patterson Road Riverbank, CA 95367	2000	2,864	Owned
Turlock Branch	1999	2,852	Owned

3700 Geer Road
Turlock, CA 95382

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Consent Order

Delta Bank is subject to restrictions and conditions of a Consent Order, dated October 14, 2008, issued by the OCC. The Consent Order contains a number of significant directives, including higher capital requirements, requirements to reduce the level of Delta Bank's classified assets, operating restrictions and restrictions on dividend payments by Delta Bank. The Consent Order also restricts Delta Bank's ability to independently make certain changes to its business. In addition to certain other requirements, the Consent Order requires that Delta Bank:

Appoint a compliance committee of at least three directors to be responsible for monitoring and coordinating Delta Bank's adherence to the provisions of the Consent Order;

Achieve and thereafter maintain: (i) Tier 1 capital at least equal to nine percent (9%) of adjusted total assets; and (ii) Total risk-based capital at least equal to eleven percent (11%) of risk-weighted assets;

Adopt, implement, and thereafter ensure adherence to a written capital and strategic plan that establishes objectives and projections for Delta Bank's overall risk profile, earnings performance, growth expectations, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy and product development;

Adopt and implement a plan that reduces the volume of problem assets by ensuring that management promptly addresses and intervenes, as appropriate, to resolve problem credit situations consistent with OCC guidelines;

Develop a program to ensure that the risk associated with Delta Bank's loans is properly reflected and accounted for on Delta Bank's books and records;

Adopt, implement, and thereafter ensure adherence to Delta Bank's written policies and procedures for maintaining an adequate Allowance for Loan and Lease Losses in accordance with generally accepted accounting principles;

Retained a qualified consultant to perform an independent external loan review to verify the accuracy of internal risk ratings, particularly in the real estate secured loan portfolio;

Take all take necessary steps to ensure Delta Bank's credit risk management systems are sufficient to ensure the loan portfolio is managed in a safe and sound manner;

Establish an overall commercial real estate reduction strategy that is designed to reduce and manage the risk in Delta Bank's commercial real estate loan portfolio in accordance with the OCC's guidelines;

Establish of an overall commercial real estate reduction strategy that includes concentration limits stratified by type, market area and other meaningful measures; and

Establish a written contingency funding plan that ensures Delta Bank can remain liquidity solvent through multiple stress scenarios.

While Delta Bank is in substantial compliance with most of the requirements of the Consent Order, it is not in compliance with the requirement to maintain its Tier 1 capital at 9% or the requirement to adopt and implement a written capital and strategic plan. Because Delta Bank is not in full compliance with the Consent Order, no assurances can be given that further enforcement actions will not be taken if the merger is not consummated.

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Supervision and Regulation

The following is not intended to be an exhaustive description of the statutes and regulations applicable to Delta Bancorp's or Delta Bank's business. The description of statutory and regulatory provisions is qualified in its entirety by reference to the particular statutory or regulatory provisions. Moreover, major new legislation and other regulatory changes affecting Delta Bancorp, Delta Bank, and the financial services industry in general have occurred in the last several years and can be expected to occur in the future. The nature, timing and impact of new and amended laws and regulations cannot be accurately predicted.

Regulation and Supervision of Delta Bancorp

Delta Bancorp is a bank holding company subject to the Bank Holding Company Act (the "BHCA"). Delta Bancorp reports to, is registered with, and may be examined by, the Federal Reserve. The Federal Reserve also has the authority to examine Delta Bancorp's subsidiaries. Delta Bancorp is a bank holding company within the meaning of Section 3700 of the California Financial Code. As such, Delta Bancorp and Delta Bank are subject to examination by, and may be required to file reports with, the CA DBO.

The Federal Reserve has significant supervisory and regulatory authority over Delta Bancorp and its affiliates. The Federal Reserve requires Delta Bancorp to maintain certain levels of capital. See "Capital Standards." The Federal Reserve also has the authority to take enforcement action against any bank holding company that commits any unsafe or unsound practice, or violates certain laws, regulations or conditions imposed in writing by the Federal Reserve. Under the BHCA, Delta Bancorp is required to obtain the prior approval of the Federal Reserve before it acquires, merges or consolidates with any bank or bank holding company. Any company seeking to acquire, merge or consolidate with Delta Bancorp also would be required to obtain the prior approval of the Federal Reserve, unless exempt.

Delta Bancorp is generally prohibited under the BHCA from acquiring ownership or control of more than 5% of any class of voting shares of any company that is not a bank or bank holding company and from engaging directly or indirectly in activities other than banking, managing banks, or providing services to affiliates of the holding company. However, a bank holding company, with the approval of the Federal Reserve, may engage, or acquire the voting shares of companies engaged, in activities that the Federal Reserve has determined to be closely related to banking or managing or controlling banks. A bank holding company must demonstrate that the benefits to the public of the proposed activity will outweigh the possible adverse effects associated with such activity.

The Federal Reserve generally prohibits a bank holding company from declaring or paying a cash dividend that would impose undue pressure on the capital of subsidiary banks or would be funded only through borrowing or other arrangements which might adversely affect a bank holding company's financial position. Under the Federal Reserve policy, a bank holding company should not continue its existing rate of cash dividends on its common stock unless its net income is sufficient to fully fund each dividend and its prospective rate of earnings retention appears consistent with its capital needs, asset quality and overall financial condition. See the section entitled "Restrictions on Dividends and Other Distributions" for additional restrictions on the ability of Delta Bancorp and Delta Bank to pay dividends.

Transactions between Delta Bancorp and Delta Bank are restricted under the Federal Reserve's Regulation W. The regulation codifies prior interpretations of the Federal Reserve and its staff under Sections 23A and 23B of the Federal Reserve Act. In general, subject to certain specified exemptions, a bank or its subsidiaries are limited in their ability to engage in "covered transactions" with affiliates: (i) to an amount equal to 10% of the bank's capital and surplus, in the case of covered transactions with any one affiliate; and (ii) to an amount equal to 20% of the bank's capital and surplus, in the case of covered transactions with all affiliates. Delta Bancorp is considered to be an affiliate of Delta Bank. A "covered transaction" includes, among other things, a loan or extension of credit to an affiliate; a purchase of securities issued by an affiliate; a purchase of assets from an affiliate, with some exceptions; and the issuance of a

guarantee, acceptance or letter of credit on behalf of an affiliate.

The Federal Reserve's regulation governing bank holding companies and change in bank control (Regulation Y) provide for a streamlined and expedited review process for bank acquisition proposals submitted by well-run bank holding companies. These provisions of Regulation Y are subject to numerous qualifications, limitations and restrictions. In order for a bank holding company to qualify as "well-run," both it and the insured depository institutions which it controls must meet the "well capitalized" and "well managed" criteria set forth in Regulation Y.

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The Gramm-Leach-Bliley Act (the "GLBA"), or the Financial Services Act of 1999, repealed provisions of the Glass-Steagall Act, which had prohibited commercial banks and securities firms from affiliating with each other and engaging in each other's businesses. Thus, many of the barriers prohibiting affiliations between commercial banks and securities firms have been eliminated.

The BHCA was also amended by the GLBA to allow new "financial holding companies" ("FHCs") to offer banking, insurance, securities and other financial products to consumers. Specifically, the GLBA amended Section 4 of the BHCA in order to provide for a framework for the engagement in new financial activities. A bank holding company ("BHC") may elect to become an FHC if all its subsidiary depository institutions are well capitalized and well managed. If these requirements are met, a BHC may file a certification to that effect with the Federal Reserve and declare that it elects to become an FHC. After the certification and declaration is filed, the FHC may engage either de novo or through an acquisition in any activity that has been determined by the Federal Reserve to be financial in nature or incidental to such financial activity. BHCs may engage in financial activities without prior notice to the Federal Reserve if those activities qualify under the list of permissible activities in Section 4(k) of the BHCA. However, notice must be given to the Federal Reserve within 30 days after an FHC has commenced one or more of the financial activities. Delta Bancorp has not elected to become an FHC.

Regulation and Supervision of Delta Bank

Delta Bank is a nationally chartered banking association and its deposits are insured by the FDIC. Delta Bank is subject to regulation, supervision and regular examination by the OCC. The regulations of the OCC affect most aspects of Delta Bank's business and prescribe permissible types of loans and investments, the amount of required reserves, requirements for branch offices, the permissible scope of its activities and various other requirements.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") of 2010 implemented far-reaching changes across the financial regulatory landscape, including provisions that, among other things:

- Centralized responsibility for consumer financial protection by creating a new agency, the Consumer Financial Protection Bureau, responsible for implementing, examining and (as to banks with \$10 billion or more in assets) enforcing compliance with federal consumer financial laws.

- Restricted the preemption of state law by federal law and disallowed subsidiaries and affiliates of national banks from availing themselves of such preemption.

- Applied the same leverage and risk-based capital requirements that would apply to insured depository institutions to most bank holding companies.

- Required bank regulatory agencies to seek to make their capital requirements for banks countercyclical so that capital requirements increase in times of economic expansion and decrease in times of economic contraction.

- Changed the assessment base for federal deposit insurance from the amount of insured deposits to consolidated assets less tangible capital, eliminated the ceiling on the size of the Deposit Insurance Fund (the "DIF") and increased the floor of the size of the DIF.

- Imposed comprehensive regulation of the over-the-counter derivatives market, which would include certain provisions that would effectively prohibit insured depository institutions from conducting certain derivatives businesses in the institution itself.

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Required large, publicly traded bank holding companies to create a risk committee responsible for the oversight of enterprise risk management.

Implemented corporate governance revisions, including with regard to executive compensation and proxy access by shareholders, applicable to all public companies, not just financial institutions.

Made permanent the \$250,000 limit for federal deposit insurance.

Repealed the federal prohibitions on the payment of interest on demand deposits, thereby permitting depository institutions to pay interest on business transaction and other accounts.

Amended the Electronic Fund Transfer Act to, among other things, give the Federal Reserve the authority to establish rules regarding interchange fees charged for electronic debit transactions by payment card issuers having assets over \$10 billion and to enforce a new statutory requirement that such fees be reasonable and proportional to the actual cost of a transaction to the issuer. While Delta Bancorp's assets are less than \$10 billion, interchange fees charged by larger institutions may dictate the level of fees smaller institutions will be able to charge to remain competitive.

The full impact of the Dodd-Frank Act on the business strategies and financial performance of Delta Bancorp and Delta Bank cannot be known at this time, and may not be known for a number of years. Some aspects of the Dodd-Frank Act continue to be subject to rulemaking and many of the rules that have been adopted will take effect over several additional years, or may be subject to interpretation or clarification, making it difficult to anticipate the overall financial impact on Delta Bancorp and Delta Bank or across the banking industry. However, these impacts are expected to be substantial and some of them may adversely affect the financial performance of Delta Bancorp and Delta Bank. The Dodd-Frank Act and related regulations may also require Delta Bancorp to invest significant management attention and resources to make any necessary or desired changes, and could therefore also adversely affect the business, financial condition and results of operations of Delta Bancorp and Delta Bank.

Capital Standards

The federal banking agencies have risk-based capital adequacy guidelines intended to provide a measure of capital adequacy that reflects the degree of risk associated with a banking organization's operations for both transactions resulting in assets being recognized on the balance sheet as assets, and the extension of credit facilities such as letters of credit and recourse arrangements, which are recorded as off balance sheet items. Under these guidelines, nominal dollar amounts of assets and credit equivalent amounts of off balance sheet items are multiplied by one of several risk adjustment percentages, which range from 0% for assets with low credit risk, such as certain U.S. government securities, to 200% for assets with relatively higher credit risk, such as certain securitizations. A banking organization's risk-based capital ratios are obtained by dividing its qualifying capital by its total risk-adjusted assets and off balance sheet items.

The federal banking agencies take into consideration concentrations of credit risk and risks from nontraditional activities, as well as an institution's ability to manage those risks, when determining the adequacy of an institution's capital. This evaluation is made as a part of the institution's regular safety and soundness examination. The federal banking agencies also consider interest rate risk (related to the interest rate sensitivity of an institution's assets and liabilities, and its off balance sheet financial instruments) in the evaluation of a bank's capital adequacy.

On July 2, 2013, the Federal Reserve approved a final rule that implements changes to the regulatory capital framework for all banking organizations over a transitional period 2015 through 2018. Please see, "– The Merger – Background of the Merger."

Prompt Corrective Action and Other Enforcement Mechanisms

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The Federal Deposit Insurance Corporation Improvement Act (“FDICIA”) requires each federal banking agency to take prompt corrective action to resolve the problems of insured depository institutions, including but not limited to those that fall below one or more prescribed minimum capital ratios.

An institution that, based upon its capital levels, is classified as “well capitalized,” “adequately capitalized” or “undercapitalized” may be treated as though it were in the next lower capital category if the appropriate federal banking agency, after notice and opportunity for hearing, determines that an unsafe or unsound condition or an unsafe or unsound practice warrants such treatment. At each successive lower capital category, an insured depository institution is subject to more restrictions. In addition to measures taken under the prompt corrective action provisions, commercial banking organizations may be subject to potential enforcement actions by the federal banking agencies for unsafe or unsound practices in conducting their businesses or for violations of any law, rule, regulation or any condition imposed in writing by the agency or any written agreement with the agency.

Safety and Soundness Standards

Delta Bancorp’s ability to pay dividends to its shareholders is subject to the restrictions set forth in the CGCL. The CGCL provides that a corporation may make a distribution to its shareholders if: (i) the corporation’s retained earnings equal or exceed the amount of the proposed distribution plus unpaid accrued dividends, if any, on securities with a dividend preference; or (ii) immediately after the dividend, the corporation’s total assets equal or exceed total liabilities plus unpaid accrued dividends, if any, on securities with a dividend preference.

FDICIA also implemented certain specific restrictions on transactions and required federal banking regulators to adopt overall safety and soundness standards for depository institutions related to internal control, loan underwriting and documentation, and asset growth. Among other things, FDICIA limits the interest rates paid on deposits by undercapitalized institutions, restricts the use of brokered deposits, limits the aggregate extensions of credit by a depository institution to an executive officer, director, principal shareholder or related interest, and reduces deposit insurance coverage for deposits offered by undercapitalized institutions for deposits by certain employee benefits accounts. The federal banking agencies may require an institution to submit an acceptable compliance plan as well as have the flexibility to pursue other more appropriate or effective courses of action given the specific circumstances and severity of an institution’s noncompliance with one or more standards.

Federal banking agencies require banks to maintain adequate valuation allowances for potential credit losses. Delta Bank has an internal staff that continually reviews loan quality and reports to the board of directors. This analysis includes a detailed review of the classification and categorization of problem loans, assessment of the overall quality and collectability of the loan portfolio, consideration of loan loss experience, trends in problem loans, concentration of credit risk, and current economic conditions, particularly in Delta Bank’s market areas. Based on this analysis, management, with the review and approval of the board of directors, determines the adequate level of allowance required. The allowance is allocated to different segments of the loan portfolio, but the entire allowance is available for the loan portfolio in its entirety.

Restrictions on Dividends and Other Distributions

As a national banking association, Delta Bank is subject to limitations on the amount of dividends it may pay to Delta Bancorp, Delta Bank’s only shareholder. The prior approval of the OCC is required to the extent the total dividends to be declared by Delta Bank in any calendar year exceeds net profits for that year combined with the bank’s retained net profits from the preceding two calendar years, less any transfers to capital surplus. The OCC also has the authority to prohibit a depository institution from engaging in business practices which are considered to be unsafe or unsound, possibly including payment of dividends or other payments under certain circumstances even if such payments are not expressly prohibited by statute.

Premiums for Deposit Insurance

Substantially all of the deposits of Delta Bank are insured up to applicable limits by the FCIC's Deposit Insurance Fund and Delta Bank is subject to deposit insurance assessments to maintain the DIF. The FDIC utilizes a risk-based assessment system that imposes insurance premiums based upon a risk matrix that takes into account a bank's capital level, asset quality and supervisory rating ("CAMELS rating").

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In October 2010, the FDIC adopted a new DIF restoration plan to ensure that the DIF reserve ratio reaches 1.35% by September 30, 2020, as required by the Dodd-Frank Act. At least semi-annually, the FDIC will update its loss and income projections for the DIF and, if needed, will increase or decrease assessment rates, following notice-and-comment rulemaking if required.

Effective April 1, 2011, the FDIC changed the deposit insurance assessment base from total domestic deposits to average total assets minus average tangible equity, as required by the Dodd-Frank Act. The FDIC also issued a final rule revising the deposit insurance assessment system for “large” institutions having more than \$10 billion in assets and another for “highly complex” institutions that have over \$50 billion in assets and are fully owned by a parent with over \$500 billion in assets. Delta Bank is neither a “large” nor “highly complex” institution. Under the new assessment rules, the initial base assessment rates range from 5 to 35 basis points, and after potential adjustments for unsecured debt and brokered deposits, assessment rates range from 2.5 to 45 basis points.

Delta Bancorp cannot provide any assurance as to the effect of any future changes in its deposit insurance premium rates.

Community Reinvestment Act and Fair Lending Developments

Delta Bank is subject to certain fair lending requirements and reporting obligations involving home mortgage lending operations and community lending requirements pursuant to the Community Reinvestment Act (the “CRA”). The CRA generally requires the federal banking agencies to evaluate the record of financial institutions in meeting the credit needs of their local communities, including low- and moderate-income neighborhoods. In addition to substantive penalties and corrective measures that may be required for a violation of certain fair lending laws, the federal banking agencies may take compliance with such laws and CRA into account when regulating and supervising other activities, including merger applications.

Financial Privacy Legislation and Customer Information Security

The GLBA, in addition to the previously described changes in permissible nonbanking activities permitted to banks, BHCs and FHCs, also required the federal banking agencies, among other federal regulatory agencies, to adopt regulations governing the privacy of consumer financial information. Delta Bank is subject to the OCC’s regulations in this area. The federal bank regulatory agencies have established standards for safeguarding nonpublic personal information about customers that implement provisions of the GLBA (the “Guidelines”). Among other things, the Guidelines require each financial institution, under the supervision and ongoing oversight of its Board of Directors or an appropriate committee thereof, to develop, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information, to protect against any anticipated threats or hazards to the security or integrity of such information, and to protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.

U.S.A. PATRIOT Act

Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (“USA Patriot Act”) is the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001. It includes numerous provisions for fighting international money laundering and blocking terrorist access to the U.S. financial system. The goal of Title III is to prevent the U.S. financial system and the U.S. clearing mechanisms from being used by parties suspected of terrorism, terrorist financing and money laundering. The provisions of Title III of the USA Patriot Act which affect Delta Bank are generally set forth as amendments to the Bank Secrecy Act. These provisions relate principally to U.S. banking organizations’ relationships with foreign banks and with persons who are resident outside the United States. The USA Patriot Act does not impose any filing or reporting obligations for banking organizations, but does require certain additional due diligence and recordkeeping

practices.

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Programs to Mitigate Identity Theft

In November 2007, the federal banking agencies together with the National Credit Union Administration and Federal Trade Commission adopted regulations under the Fair and Accurate Credit Transactions Act of 2003 to require financial institutions and other creditors to develop and implement a written identity theft prevention program to detect, prevent and mitigate identity theft in connection with certain new and existing accounts. Covered accounts generally include consumer accounts and other accounts that present a reasonably foreseeable risk of identity theft. Each institution's program must include policies and procedures designed to: (i) identify indicators, or "red flags," of possible risk of identity theft; (ii) detect the occurrence of red flags; (iii) respond appropriately to red flags that are detected; and (iv) ensure that the program is updated periodically as appropriate to address changing circumstances. The regulations include guidelines that each institution must consider and, to the extent appropriate, include in its program.

Pending Legislation

Changes to federal and state laws and regulations (including changes in interpretation or enforcement) can affect the operating environment of BHCs and their subsidiaries in substantial and unpredictable ways. From time to time, various legislative and regulatory proposals are introduced. These proposals, if codified, may change banking statutes and regulations and Delta Bancorp's operating environment in substantial and unpredictable ways. If codified, these proposals could increase or decrease the cost of doing business, limit or expand permissible activities or affect the competitive balance among banks, savings associations, credit unions and other financial institutions. Delta Bancorp cannot accurately predict whether those changes in laws and regulations will occur, and, if those changes occur, the ultimate effect they would have upon our financial condition or results of operations. It is likely, however, that the current level of enforcement and compliance-related activities of federal and state authorities will continue and potentially increase.

Legal Proceedings

From time to time as part of their respective businesses, Delta Bancorp or Delta Bank is subject to routine litigation. In the opinion of management of Delta Bancorp, neither it nor Delta Bank is a party to any material pending legal proceedings that management believes would have a material adverse effect on the consolidated financial condition, operations, or cash flows of Delta Bancorp or Delta Bank.

CERTAIN BENEFICIAL OWNERSHIP OF DELTA BANCORP CAPITAL STOCK

The following table sets forth certain information as of August 26, 2016, the record date for the annual meeting, concerning the stock ownership of Delta Bancorp's outstanding common and preferred stock by each of the directors and nominees for director of Delta Bancorp, by each of Delta Bancorp's named executive officers, by holders of five percent or more of each class of Delta Bancorp's outstanding common and preferred stock, and by all directors and executive officers as a group:

Name and Address of Beneficial Owners ¹	Amount and Nature of Beneficial Ownership ²			Percent of Class		
	Common		Preferred	Common	Preferred	
William Barringer	20	3	--	*	--	
Ronald Dalben	4,901	4	--	1.29 %	--	
Robert Daneke	--		--	--	--	
Patricia Moore	--		--	--	--	
Theodore Poulos	13,342	5	--	3.51 %	--	
Toinette Rossi	84,146	6	55,000	22.13 %	50.0 %	

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Valerie Rossi	84,498	7	55,000	22.22 %	50.0	%
Warren Wegge	6,753	8	--	1.78 %	--	
All Directors and Executive Officers as a Group (8 persons)	174,941	9	110,000	46.00 %	100.0	%

*Less than 0.1%.

¹The mailing address for all persons listed is: c/o Delta National Bancorp, 611 North Main Street, Manteca, California 95336.

²These figures are based upon information furnished to Delta Bancorp by Delta Bancorp's directors and executive officers. Each individual has sole voting and investment power with respect to the shares listed, unless otherwise indicated.

³Includes 20 shares held jointly with his wife.

⁴Includes 4,801 shares held in an IRA and 100 shares held jointly with his spouse's parents.

⁵Includes 13,342 shares owned by Theodore and Antonette Poulos as co-trustees of a family trust.

⁶Includes 1,158 shares held by Ms. Toinette Rossi's adult children, 6,621 shares held in an IRA, 57,648 shares held as trustee of a family trust, and 18,719 shares owned indirectly through an affiliated entity.

(footnotes continued on next page)

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DESCRIPTION OF F&M BANCORP CAPITAL STOCK

The following summary of the current terms of the capital stock of F&M Bancorp and the terms of capital stock of F&M Bancorp to be in effect after completion of the merger is not meant to be complete and is qualified in its entirety by reference to the DGCL, federal law, the F&M Bancorp certificate of incorporation, and the F&M Bancorp bylaws, copies of which have been filed with the Commission and are also available upon request from F&M Bancorp. See “Where You Can Find More Information.”

Common Stock

The F&M Bancorp certificate of incorporation authorizes 20,000,000 shares of common stock, par value \$0.01 per share. At September 7, 2016, there were 792,387 shares of F&M Bancorp common stock issued and outstanding, held of record by approximately 1,447 shareholders. The F&M Bancorp common stock is listed on the OTCQX under the symbol “FMCB.” The transfer agent and registrar for F&M Bancorp common stock is Computershare.

Each holder of F&M Bancorp common stock is entitled to:

• one vote for each share held on all matters submitted to a vote of the shareholders;

• receive ratably such dividends as may be declared by the F&M Bancorp board of directors out of funds legally available for dividends, subject to preferences that may be applicable to outstanding shares of preferred stock, if any, or limitations and restrictions under applicable bank holding company regulations; and

• share ratably in F&M Bancorp’s net assets, legally available to holders of F&M Bancorp common stock in the event of F&M Bancorp’s liquidation, dissolution or winding up, after payment in full of all amounts required to be paid to any holders of shares of preferred stock and to creditors (unless provision for such payment has been made).

Holders of F&M Bancorp common stock are not entitled to preemptive rights and have no subscription, redemption or conversion privileges.

The outstanding shares of F&M Bancorp common stock are validly issued, fully paid and nonassessable.

Preferred Stock

The F&M Bancorp certificate of incorporation authorizes 1,000,000 shares of preferred stock, par value \$0.01 per share. As of the date of this proxy statement/prospectus, there were no issued and outstanding shares of F&M Bancorp preferred stock.

Under the F&M Bancorp certificate of incorporation, F&M Bancorp may issue shares of preferred stock in one or more series, as may be determined by the F&M Bancorp board of directors. The F&M Bancorp board of directors may also establish, from time to time, the number of shares to be included in each series and may fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and may increase or decrease the number of shares of any series without any further vote or action by the shareholders. Any preferred stock that F&M Bancorp may issue will rank senior to F&M Bancorp common stock with respect to the payment of dividends or amounts paid upon liquidation, dissolution or winding up of F&M Bancorp, or both. In addition, any shares of F&M Bancorp preferred stock may have class or series voting rights. Under certain circumstances, the issuance of shares of F&M Bancorp preferred stock, or merely the existing authorization of the F&M Bancorp board of directors to issue shares of F&M Bancorp preferred stock, may tend to discourage or impede a merger or other change in control of F&M Bancorp. Each series of preferred stock, to the extent issued, will be issued under a separate certificate of designations

(footnotes continued from previous page)

⁷ Includes 6,553 held in an IRA, 59,226 held as trustee of a family trust, and 18,719 shares owned indirectly through an affiliated entity.

⁸ Includes 5,495 shares held in an IRA.

⁹ The 18,719 shares held by an entity affiliated with Ms. Toinette Rossi and Ms. Valerie Rossi are counted only once for purposes of calculating the beneficial ownership for All Directors and Executive Officers as a Group.

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Anti takeover Provisions

Delaware Anti Takeover Law

As a Delaware corporation, F&M Bancorp is subject to Section 203 of the DGCL, which generally prevents an interested shareholder, defined generally as a person owning 15% or more of a corporation's outstanding voting stock, from engaging in a business combination with F&M Bancorp for three years following the date that person became an interested shareholder, unless certain specified conditions are satisfied. The existence of this provision may have an anti takeover effect with respect to transactions not approved in advance by the F&M Bancorp board of directors, including discouraging attempts that might result in a premium over the market price for the shares of F&M Bancorp common stock held by shareholders.

Possible Future Issuance of Preferred Stock

The F&M Bancorp board of directors can at any time issue one or more new series of preferred stock pursuant to the F&M Bancorp certificate of incorporation and without shareholder approval. In some cases, the issuance of preferred stock could discourage or make more difficult attempts to take control of F&M Bancorp through a merger, tender offer, proxy contest or otherwise. Shares of F&M Bancorp preferred stock with special voting rights or other features issued to persons favoring F&M Bancorp's management could stop a takeover by preventing the person trying to take control of F&M Bancorp from acquiring enough voting shares to take control.

Removal and Vacancies on the Board of Directors

Subject to the rights of the holders of any series of F&M Bancorp preferred stock then outstanding, directors may be removed by F&M Bancorp's shareholders, with or without cause, by the affirmative vote of a majority of the voting power of all of the then outstanding shares of capital stock of F&M Bancorp entitled to vote generally in the election of directors, voting together as a single class. Further, any newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the board resulting from death, resignation, retirement, removal or other cause may be filled only by a majority vote of the directors then in office, whether or not a quorum is present. These provisions may deter a shareholder from removing incumbent directors and from simultaneously gaining control of the board of directors by filling the resulting vacancies with its own nominees. Consequently, the existence of these provisions may have the effect of deterring hostile takeovers, which could depress the market price of F&M Bancorp common stock.

Advance Notice Requirements for Director Nominations

The F&M Bancorp bylaws provides that shareholders seeking to nominate candidates for election as directors must provide timely notice of their proposal in writing to the corporate secretary. Generally, to be timely, a shareholder's nomination must be received at F&M Bancorp's principal executive offices not less than 30 days or more than 60 days prior to any meeting of stockholders. These provisions may impede shareholders' ability to make nominations for directors at an annual meeting of shareholders.

Advance Notice Requirements for Shareholder Proposals

The Commission's regulations provide that shareholders seeking to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, in order to bring an item of business before an annual meeting, the proposal must be received at the F&M Bancorp's principal executive offices not less one hundred twenty (120) days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. These provisions may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of

shareholders.

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Shareholder Rights Plan

On August 5, 2008, the board of directors of F&M Bancorp approved a Share Purchase Rights Plan (the “Rights Plan”), pursuant to which F&M Bancorp entered into a Rights Agreement, dated August 5, 2008, with Registrar and Transfer Company, as Rights Agent, and the F&M Bancorp declared a dividend of a right to acquire one preferred share purchase right (a “Right”) for each outstanding share of the F&M Bancorp’s common stock, \$0.01 par value per share, to stockholders of record at the close of business on August 15, 2008. Generally, the Rights are only triggered and become exercisable if a person or group (the “Acquiring Person”) acquires beneficial ownership of 10 percent or more of the F&M Bancorp’s common stock or announces a tender offer for 10 percent or more of the F&M Bancorp’s common stock. Shareholders of Delta Bancorp who receive shares of F&M Bancorp common stock in the merger will also receive one such Right for each share of F&M Bancorp common stock so obtained.

The effect of the Rights Plan is to discourage any potential acquirer from triggering the Rights without first convincing F&M Bancorp’s board of directors that the proposed acquisition is fair to, and in the best interest of, all of the shareholders of the F&M Bancorp. The provisions of the Plan will substantially dilute the equity and voting interest of any potential acquirer unless the board of directors approves of the proposed acquisition. Each Right, if and when exercisable, will entitle the registered holder to purchase from the F&M Bancorp one one-hundredth of a share of Series A Junior Participating Preferred Stock, no par value, at a purchase price of \$1,200 for each one one-hundredth of a share, subject to adjustment. Each holder of a Right (except for the Acquiring Person, whose Rights will be null and void upon such event) shall thereafter have the right to receive, upon exercise, that number of Common Shares of the F&M Bancorp having a market value of two times the exercise price of the Right. At any time before a person becomes an Acquiring Person, the Rights can be redeemed, in whole, but not in part, by F&M Bancorp’s board of directors at a price of \$0.001 per Right.

On February 18, 2016, the F&M Bancorp entered into Amendment No. 1 (the “Amendment”) to the Rights Agreement, by and between F&M Bancorp and Computershare Trust, N.A., a federally chartered, limited purpose trust (as successor to Registrar and Transfer Company), as the duly appointed rights agent.

The Amendment extends the expiration date of F&M Bancorp’s Rights from the close of business on August 5, 2018, to the close of business on August 5, 2025. At the time of the termination of the Rights Agreement, all of the Rights distributed to holders of the F&M Bancorp’s preferred shares pursuant to the Rights Agreement will expire.

The Amendment also increases the purchase price per unit under the Rights Agreement from \$1,200 per one one-hundredth of a share of F&M Bancorp’s preferred shares, to \$1,600 per one one-hundredth of a Preferred Share.

The Amendment also modifies the definition of “Beneficial Ownership” under the Rights Agreement to include certain derivative interests, by deleting Section 1(d)(i) of the Rights Agreement in its entirety and substituting in lieu thereof the following:

“(i) which such Person or any of such Person’s Affiliates or Associates beneficially owns, directly or indirectly, or has the right to become the beneficial owner (whether such right is exercisable immediately or only after the passage of time or the occurrence of conditions) pursuant to any agreement, arrangement or understanding, whether or not in writing (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise;”

The foregoing is a summary of the terms of the Rights Plan. The summary does not purport to be complete and is qualified in its entirety by reference to the Rights Plan, as amended.

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Restrictions on Ownership

The BHCA generally prohibits any company that is not engaged in banking activities and activities that are permissible for a bank holding company or a financial holding company from acquiring control of a bank holding company, such as F&M Bancorp. "Control" is generally defined as ownership of 25% or more of the voting stock or other exercise of a controlling influence. Any existing bank holding company would need the prior approval of the Federal Reserve before acquiring 5% or more of the voting stock of F&M Bancorp. In addition, the Change in Bank Control Act of 1978, as amended, prohibits a person or group of persons from acquiring control of a bank holding company unless the Federal Reserve has been notified and has not objected to the transaction. Under a rebuttable presumption established by the Federal Reserve, the acquisition of 10% or more of a class of voting stock of a bank holding company with a class of securities registered under Section 12 of the Exchange Act, such as F&M Bancorp, could constitute acquisition of control of the bank holding company.

COMPARISON OF THE RIGHTS OF SHAREHOLDERS

When the merger becomes effective, shareholders of Delta Bancorp who receive shares of F&M Bancorp common stock in exchange for their shares of Delta Bancorp common stock will become shareholders of F&M Bancorp. F&M Bancorp is a Delaware corporation and the rights of F&M Bancorp shareholders are governed by the DGCL, as well as the F&M Bancorp certificate of incorporation and the F&M Bancorp bylaws. Delta Bancorp is a California corporation, and its shareholders' rights are governed by the CGCL and the Delta Bancorp articles of incorporation and Delta Bancorp bylaws.

Although F&M Bancorp is incorporated in the state of Delaware, Section 2115 of the CGCL purports to require corporations incorporated in another jurisdiction with a specified nexus to California, including F&M Bancorp, to comply with a number of California's statutory corporate law provisions, including the election of directors, removal of directors without cause, director's standard of care, indemnification of directors, requirements for the annual shareholder's meeting, certain shareholder voting requirements, dissenter's rights and various other provisions. There have been various court decisions by both Delaware and California courts which may limit or eliminate the applicability of Section 2115 of the CGCL.

After the merger, as F&M Bancorp shareholders, the rights of former Delta Bancorp shareholders will be governed by the F&M Bancorp certificate of incorporation, the F&M Bancorp bylaws and the DGCL. The following is a summary of material differences between the rights of holders of F&M Bancorp common stock and holders of Delta Bancorp common stock. The summary does not purport to be a complete statement of the provisions affecting, and differences between, the rights of holders of F&M Bancorp common stock and holders of Delta Bancorp common stock. Rather, the summary is intended to provide a general overview of the differences in shareholders' rights under the governing corporate instruments of F&M Bancorp and Delta Bancorp, and other known material differences. For more detailed information with respect to F&M Bancorp, see "Description of F&M Bancorp Capital Stock."

Authorized Capital Stock

F&M Bancorp

F&M Bancorp's authorized capital stock consists of 20,000,000 shares of F&M Bancorp common stock, par value \$.01 per share, and 1,000,000 shares of F&M Bancorp preferred stock, par value \$.01 per share. The F&M Bancorp certificate of incorporation authorizes F&M Bancorp's board of directors to issue shares of F&M Bancorp preferred stock in one or more series and to fix the designation, powers, preferences, and rights of the shares of F&M Bancorp preferred stock in each series. As of September 7, 2016, there were 792,387 shares of F&M Bancorp common stock issued and outstanding and no shares of F&M Bancorp preferred stock were issued and outstanding as of such date.

Delta Bancorp

Delta Bancorp's authorized capital stock consists of 5,000,000 shares of Delta Bancorp common stock with no par value and 5,000,000 shares of preferred stock. The Delta Bancorp articles of incorporation do not declare a par value. The Delta Bancorp articles of incorporation authorize the board of directors to issue preferred stock and to determine or alter the rights, preferences, privileges and restrictions of Delta Bancorp preferred stock in each series. As of August 26, 2016, there were 380,303 shares of Delta Bancorp common stock issued outstanding and 110,000 shares of Delta Bancorp's 5.5% Non-Cumulative Perpetual Preferred Stock, issued and outstanding.

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Issuance of Capital Stock

F&M Bancorp

Under the F&M Bancorp certificate of incorporation and the DGCL, F&M Bancorp may issue shares of F&M Bancorp capital stock and rights or options for the purchase of shares of capital stock of F&M Bancorp on such terms and for such consideration as may be determined by the F&M Bancorp board of directors. None of the DGCL, the F&M Bancorp certificate of incorporation or the F&M Bancorp bylaws require shareholder approval of any such actions. F&M Bancorp may, however, elect to seek shareholder approval of stock related compensation plans in certain instances in order to qualify such plans for favorable federal income tax treatment and securities laws treatment under current laws and regulations. Holders of F&M Bancorp common stock do not have preemptive rights with respect to any shares of F&M Bancorp capital stock which may be issued.

Delta Bancorp

Under the CGCL, Delta Bancorp may issue shares of Delta Bancorp stock for such consideration as may be determined by the Delta Bancorp board of directors in accordance with the CGCL. None of the CGCL or the Delta Bancorp articles of incorporation or bylaws of Delta Bancorp require shareholder approval of any such actions. The Delta Bancorp articles of incorporation do not grant the holders of Delta Bancorp stock preemptive rights with respect to any shares of Delta Bancorp stock that may be issued.

Voting Rights

F&M Bancorp

Each holder of F&M Bancorp common stock is entitled to one vote for each share held of record. For matters other than the election of directors and except as otherwise required by law, all matters are approved by holders of a majority of the shares represented and voted at a duly held meeting at which at least a quorum is present (which shares voting affirmatively must constitute a majority for the required quorum). Pursuant to the F&M Bancorp bylaws, with respect to the election of directors, holders of F&M Bancorp stock have cumulative voting rights if the candidates' names have been placed in nomination prior to the voting, and at least one shareholder has given notice at least 2 days prior to the meeting of that shareholder's intention to cumulate that shareholder's votes. The candidates receiving the highest number of votes of the shares entitled to be voted for them, up to the number of directors to be elected by such shares, are elected.

Delta Bancorp

Each holder of Delta Bancorp common stock and preferred stock is entitled to one vote for each share held of record. For matters other than the election of directors and certain matters, such as the merger, except as otherwise required by law, all matters are approved by holders of a majority of the shares represented and voted at a duly held meeting at which at least a quorum is present (which shares voting affirmatively must constitute a majority for the required quorum). Pursuant to the Delta Bancorp bylaws, with respect to the election of directors, holders of Delta Bancorp stock have cumulative voting rights if the candidates' names have been placed in nomination prior to the voting, and at least one shareholder has given notice at the meeting, prior to the voting, of that shareholder's intention to cumulate that shareholder's votes. The candidates receiving the highest number of votes of the shares entitled to be voted for them, up to the number of directors to be elected by such shares, are elected. The certificate of determination creating Delta Bancorp's 5.5% Non-Cumulative Perpetual Preferred Stock requires 66-2/3% approval by the holders of the preferred stock for certain corporate matters, including approval of the merger, in addition to the requirement of majority approval by the common and preferred shares, voting together.

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Number and Election of Directors

F&M Bancorp

F&M Bancorp's bylaws provide for a board of directors consisting of no fewer than 7 members nor more than 15 members as determined from time to time by a resolution of a majority of F&M Bancorp's board of directors or by a resolution of a majority of Delta Bancorp's shareholders. Currently, F&M Bancorp's board of directors consists of 7 directors.

Delta Bancorp

Delta Bancorp's bylaws provide for a board of directors consisting of no fewer than 5 members nor more than 9 members as determined from time to time by a resolution of a majority of Delta Bancorp's board of directors or by an amendment to the bylaws adopted by a majority of Delta Bancorp's shareholders. Currently, Delta Bancorp's board of directors consists of 5 directors.

Removal of Directors

F&M Bancorp

Under the DGCL, directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote, unless a greater vote is required by the certificate of incorporation or the bylaws. Under the F&M Bancorp bylaws, a director may be removed by F&M Bancorp's board of directors if the director is declared of unsound mind by court order or is convicted of a felony.

Delta Bancorp

Under the CGCL, directors may be removed if declared of unsound mind by an order of court or if convicted of a felony. Directors may also be removed, with or without cause, by a vote of the shareholders; provided, however, a director may not be removed if the votes cast against removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast.

Vacancies of Directors

F&M Bancorp

The DGCL provides that, unless the certificate of incorporation or bylaws provide otherwise, a majority of the directors then in office (although less than a quorum) or the sole remaining director may fill any vacancy on a board of directors, including newly created directorships resulting from an increase in the number of directors. Under the F&M Bancorp bylaws, subject to the rights of holders of any series of preferred stock outstanding, any vacancy occurring on its board of directors may be filled by a majority vote of the directors then in office, whether or not a quorum is present, except that a vacancy created by the removal of a director by the vote or written consent of the stockholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so chosen will hold office until the next annual meeting of shareholders.

Delta Bancorp

Pursuant to Delta Bancorp's bylaws, except for a vacancy created by the removal of a director, any vacancy on Delta Bancorp's board of directors may be filled by the affirmative vote of a majority of the remaining directors although

less than a quorum, or by the sole remaining director. Vacancies created by removal of a director by shareholder vote or court order may only be filled by shareholder vote. Each director chosen in this manner to fill a vacancy will hold office until the director's successor is elected at an annual shareholders' meeting. Delta Bancorp's shareholders may elect a director at any time to fill any vacancy or vacancies not filled by Delta Bancorp's directors.

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Indemnification and Limitation of Liability

F&M Bancorp

The DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation.

The DGCL provides that any indemnification must be made by the corporation only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the person has met the applicable standard of conduct. Such determination must be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to the action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the shareholders.

The DGCL provides that it is not exclusive of other indemnification that may be granted by a corporation's bylaws, disinterested director vote, shareholder vote, agreement or otherwise.

The F&M Bancorp certificate of incorporation provides for the indemnification of directors, officers and certain of its authorized representatives to the fullest extent permitted by the DGCL. In addition, as permitted by the DGCL, the F&M Bancorp certificate of incorporation provides that the directors shall have no personal liability to F&M Bancorp or its shareholders for monetary damages for breach of fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to F&M Bancorp or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, (iii) the unlawful payment of dividends or unlawful stock purchase or redemption, or (iv) for any transaction in which the director derived improper personal benefit.

Delta Bancorp

The CGCL permits a corporation to indemnify any person who was, is, or is threatened to be made a party to a proceeding, by reason of the fact that the person is or was an agent of the corporation (defined as any person who is or was a director, officer, employee or other agent of the corporation or its predecessor, or is or was serving at the request of the corporation or its predecessor as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise), against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with the proceeding if that person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. A similar standard is applicable in the case of derivative actions, except that court approval of the settlement is required before there can be any indemnification where such action has been settled, and court approval of indemnification is required where the person seeking indemnification has been found liable to the corporation.

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Pursuant to the CGCL, expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the agent to repay that amount if the agent is ultimately determined to not be entitled to indemnification.

Under the CGCL, a corporation may, through its articles of incorporation, eliminate or limit the personal liability of a director for monetary damages in an action brought by or in the right of the corporation for breach of a director's duties to the corporation and its shareholders. The CGCL also provides that it is not exclusive of other indemnification that may be granted by a corporation's bylaws, disinterested director vote, shareholder vote, agreement or otherwise to the extent the additional rights to indemnification are authorized in the articles of incorporation. Delta Bancorp's articles of incorporation do not limit the personal liability of a director for monetary damages and do not authorize additional rights to indemnification.

Delta Bancorp's bylaws provide that Delta Bancorp shall have the power to indemnify each person who was or is a party or is threatened to be made a party or is otherwise involved in any proceeding by reason of being or having been a director or officer of Delta Bancorp, or any predecessor corporation, or being or having been a director or officer serving at the request of Delta Bancorp as a director, officer, employee, or other agent of another corporation, partnership, joint venture, trust, or other enterprise (but not including service with respect to Delta Bancorp-sponsored employee benefit plans) against all expense, liability, and loss (including attorneys' fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by that person in connection with such proceeding. The right to indemnification described above also includes the right to advancement of expenses, subject to certain conditions described in Delta Bancorp's bylaws.

Amendments to Articles of Incorporation and Bylaws

F&M Bancorp

The DGCL provides that an amendment to a Delaware corporation's certificate of incorporation requires a board resolution stating the advisability of the amendment and approval by a majority of the holders of outstanding capital stock of each class entitled to vote thereon.

The F&M Bancorp certificate of incorporation authorizes F&M Bancorp's board of directors to amend its bylaws by vote of two-thirds of all directors of the board of directors at a meeting, other than a bylaw changing the maximum or minimum number of authorized directors which shall be approved by the vote or written consent of the holders of a majority of the outstanding shares entitled to vote. The F&M Bancorp bylaws may also be amended by the affirmative vote of the holders of a majority of the outstanding shares entitled to vote.

Delta Bancorp

Subject to certain exceptions, the CGCL provides that amendments to a California corporation's articles of incorporation must be approved by the board of directors and by a majority of the corporation's outstanding shares, either before or after approval by the board of directors. The certificate of determination creating Delta Bancorp's preferred stock requires 66-2/3% approval by the holders of the preferred stock for certain corporate matters, including amendments to the articles of incorporation changing the number of shares of the authorized preferred stock, changing the rights, preferences, privileges or restrictions of the preferred stock, and effecting a split of the common stock, in addition to the requirement of majority approval by the common and preferred shares, voting together.

Pursuant to Delta Bancorp's bylaws, Delta Bancorp bylaws may be adopted, amended or repealed either by approval of holders of a majority of Delta Bancorp's outstanding shares of capital stock entitled to vote or by the approval of Delta Bancorp's board of directors, except an amendment changing the authorized range of directors requires the approval of Delta Bancorp's shareholders.

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Notice of Shareholder Meetings

F&M Bancorp

In accordance with the DGCL, the F&M Bancorp bylaws provide that a written notice of the time, date, and place of all shareholder meetings must be given to each shareholder entitled to vote at the meeting not less than 10 days nor more than 60 days prior to the meeting.

Delta Bancorp

In accordance with the CGCL, the Delta Bancorp bylaws provide that a written notice of the place, the date and the hour of all shareholder meetings must be mailed, postage prepaid, to each shareholder entitled to vote at the meeting at least 10 and no more than 60 days prior to the meeting.

Meetings of Shareholders

F&M Bancorp

Pursuant to the DGCL, an annual meeting of shareholders may be called by a corporation's board of directors or by the persons authorized to do so in the corporation's certificate of incorporation or bylaws. The F&M Bancorp certificate of incorporation and bylaws provides that an annual meeting of shareholders may be called only by a majority of the board of directors or by the holders of at least a majority of the then outstanding shares of capital stock entitled to vote. Pursuant to the bylaws of F&M Bancorp, a special meeting of the shareholders may be called at any time by a majority of the board of directors or by the holders of at least a majority of the then outstanding shares of capital stock of F&M Bancorp entitled to vote thereat. No special meeting of shareholders may be called within 120 days after the last annual meeting or within 120 days of the upcoming annual meeting unless approved by the board of directors.

Delta Bancorp

Pursuant to the CGCL and the Delta Bancorp bylaws, annual meetings of the shareholders may be called by Delta Bancorp's board of directors whereas special meetings of the shareholders may be called by Delta Bancorp's board of directors, the chairperson of Delta Bancorp's board of directors, Delta Bancorp's president, or the holders of shares of Delta Bancorp capital stock entitled to cast not less than ten (10) percent of the votes at the meeting. Pursuant to Delta Bancorp's bylaws, shareholders requesting a special meeting must do so by submitting their request, in writing, to the chairperson of Delta Bancorp's board of directors or to Delta Bancorp's president, any vice president or secretary. Pursuant to Delta Bancorp's bylaws, every meeting of Delta Bancorp shareholders, unless otherwise required by law, must be called by giving shareholders personal notice or by mailing, postage prepaid, to each shareholder at the address appearing on Delta Bancorp's books, a notice stating the date, time, place and purpose of the meeting not less than 10 days nor more than 60 days prior to the date fixed for the meeting.

Shareholder Nominations and Shareholder Proposals

F&M Bancorp

The F&M Bancorp bylaws provides that shareholders seeking to nominate candidates for election as directors must provide timely notice of their proposal in writing to the corporate secretary. Generally, to be timely, a shareholder's nomination must be received at F&M Bancorp's principal executive offices not less than 30 days or more than 60 days prior to any meeting of stockholders. These provisions may impede shareholders' ability to make nominations for directors at an annual meeting of shareholders.

The Commission's regulations provide that shareholders seeking to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, in order to bring an item of business before an annual meeting, the proposal must be received at the F&M Bancorp's principal executive offices not less one hundred twenty (120) days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. These provisions may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

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Delta Bancorp

Delta Bancorp's bylaws permit any shareholder entitled to vote for the election of directors to make nominations for the election of members of Delta Bancorp's board of directors. Notice of intention to make a nomination must be in writing and delivered or mailed to Delta Bancorp's president not less than 21 days nor more than 60 days prior to any meeting of Delta Bancorp's shareholders called for the election of directors. If less than 21 days' notice is given to Delta Bancorp's shareholders, the notice of intention to nominate must be mailed or delivered to Delta Bancorp's president not later than the close of business on the 10th day following the day on which the meeting notice was mailed. The notification of the shareholder's intent to nominate a director must contain certain information about the nominee as specified in Delta Bancorp's bylaws.

Delta Bancorp's bylaws provides that for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to Delta Bancorp's secretary and must have been a shareholder of record at the time such notice is given. To be timely, a shareholder's notice must be delivered to or mailed and received at Delta Bancorp's principal executive office no more than 90 days and no less than 70 days prior to the first anniversary date of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 20 days, or delayed by more than 70 days, from such anniversary date, notice by the shareholder to be timely must be so delivered or mailed and received no earlier than 90 days prior to such annual meeting and no later than the close of business on the later of the 70 days prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made. Such shareholder's notice to the secretary must set forth as to each matter the shareholder proposes to bring before the annual meeting the information required by Section 9 of Delta Bancorp's bylaws.

Shareholder Action by Written Consent

F&M Bancorp

Any action required to be taken at any annual or annual meeting of stockholders of F&M Bancorp, or any action which may be taken at any annual or annual meeting of stockholders, may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on such action were present and voted, provided that the board of directors, by resolution, shall have previously approved any such action. In the case of election of directors, a consent otherwise conforming to the requirements of the preceding sentence shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the board of directors that has not been filled by the directors by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. If the consents of all stockholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such stockholders shall not have been received, the Secretary shall give prompt notice of the corporate action approved by the stockholders without a meeting.

Delta Bancorp

Any action required to be taken at any annual or annual meeting of shareholders of Delta Bancorp, or any action which may be taken at any annual or annual meeting of shareholders, may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on such action were present and voted; provided that the board of directors, by resolution, shall have previously approved any such action. In the case of election of directors, a consent otherwise conforming to the requirements of the preceding sentence shall be effective only if signed by the holders of

all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the board of directors that has not been filled by the directors by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

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Transactions with Interested Persons

F&M Bancorp

The DGCL prohibits a corporation from engaging in any business combination with an interested shareholder (defined as a 15% shareholder) for a period of three years after the date that shareholder became an interested shareholder, unless (i) before that date, the board of directors of the corporation approved the business combination or the transaction in which the shareholder became an interested shareholder, (ii) upon completion of the transaction that resulted in the shareholder becoming an interested shareholder, the shareholder owned at least 85% of the outstanding voting stock (excluding shares owned by directors, officers and certain employee stock ownership plans) or (iii) on or after the date the shareholder became an interested shareholder, the business combination received the approval of both the corporation's directors and holders of two thirds of the outstanding voting shares not owned by the interested shareholder voted at a meeting and not by written consent. A Delaware corporation may opt out of this provision through an amendment to its certificate of incorporation or bylaws adopted by a majority of the outstanding voting shares. The F&M Bancorp certificate of incorporation confirms to the requirements of the DGCL and imposes additional requirements on the transaction itself.

Delta Bancorp

Under the CGCL, contracts between a corporation and one or more of its directors, or between a corporation and any corporation, firm or association in which one or more of its directors has a material financial interest are not void or voidable because such director or directors or such other corporation, firm or association are parties or because such director or directors are present at the meeting of the board or a committee thereof which authorizes, approves or ratifies the contract or transaction, if: (i) the material facts as to the transaction and as to such director's interest are fully disclosed or known to the shareholders and such contract or transaction is approved by the shareholders in good faith, with the shares owned by the interested director or directors not being entitled to vote thereon; or (ii) the material facts as to the transaction and as to such director's interest are fully disclosed or known to the board or committee, and the board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the interested director or directors and the contract or transaction is just and reasonable as to the corporation at the time it is authorized, approved or ratified; or (iii) the person asserting the validity of the contract or transaction sustains the burden of proving that the contract or transaction was just and reasonable as to the corporation at the time it was authorized, approved or ratified.

Dividends

F&M Bancorp

The DGCL permits a Delaware corporation to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. Further, it is the policy of the Federal Reserve that bank holding companies, such as F&M Bancorp, should generally pay dividends on common stock only out of income available over the past year, and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition. It is also the Federal Reserve's policy that bank holding companies should not maintain dividend levels that undermine their ability to be a source of strength to their banking subsidiaries. The F&M Bancorp bylaws permit its board of directors to declare dividends. F&M Bancorp generally declares a semi-annual cash dividend to its shareholders. While F&M Bancorp has done so in the past, it is not guaranteed that it will continue such practice in the future.

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Delta Bancorp

The CGCL permits a California corporation to declare and pay dividends if the amount of retained earnings of the corporation immediately prior to the dividend payment exceeds the sum of the proposed dividend distribution plus the amount, if any, of cumulative dividends in arrears on all shares having a preference with respect to payment of dividends over the class or series to which the applicable dividend is being made. The CGCL also requires that a corporation's assets equal or exceed the sum of its total liabilities plus the amount that would be needed if the corporation were to be dissolved at the time of the dividend to satisfy the preferential rights, including accrued but unpaid dividends, of other shareholders upon dissolution that are superior to the rights of the shareholders receiving the dividend. The CGCL also prohibits dividend distributions if either the corporation or any of its subsidiaries would be unable to meet liabilities as they mature. Under Delta Bancorp bylaws, the board of directors may make distributions in the manner it may deem proper as provided by law. Further, it is the policy of the Federal Reserve that bank holding companies, such as Delta Bancorp, should generally pay dividends on common stock only out of income available over the past year, and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition. It is also the Federal Reserve's policy that bank holding companies should not maintain dividend levels that undermine their ability to be a source of strength to its banking subsidiaries.

Delta Bancorp has not declared or paid dividends on its common stock since 2008 and does not anticipate declaring or paying any cash dividends on its common stock in the foreseeable future. Delta Bancorp also has not declared or paid dividends on its 5.5% Non-Cumulative Perpetual Preferred Stock since issuance in late 2014.

As a national banking association, Delta Bank is subject to limitations on the amount of dividends it may pay to Delta Bancorp, Delta Bank's only shareholder. The prior approval of the OCC is required to the extent the total dividends to be declared by Delta Bank in any calendar year exceeds net profits for that year combined with the bank's retained net profits from the preceding two calendar years, less any transfers to capital surplus. The OCC also has the authority to prohibit a depository institution from engaging in business practices which are considered to be unsafe or unsound, possibly including payment of dividends or other payments under certain circumstances even if such payments are not expressly prohibited by statute.

Shareholders' Right of Dissent and Appraisal

F&M Bancorp

Under the DGCL, shareholders are generally entitled to dissent from a merger or consolidation and obtain payment of the fair value of their shares when a merger or consolidation of business entities occurs.

Delta Bancorp

Delta Bancorp's shareholders are entitled to dissenters' rights in connection with the merger under the CGCL. For a discussion of the dissenters' rights under the CGCL, see "Proposal 1—The Merger—Dissenters' Rights," and the dissenters' rights provisions of the CGCL, a copy of which is attached as Appendix C to this proxy statement/prospectus.

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PROPOSAL 2

ELECTION OF DIRECTORS

Delta Bancorp's directors are elected annually to serve until the next Annual Meeting of Shareholders and until their respective successors have been elected and qualified.

Delta Bancorp's bylaws provide that the number of directors of Delta Bancorp may not be less than 5, nor more than 9, and has been set at 5 by a resolution of the Board of Directors.

The persons named below have been nominated for election as directors of Delta Bancorp by the board of directors to serve: (i) until the consummation of the merger, or (ii) in the event the merger is not consummated and the merger agreement is terminated, until the next annual meeting of shareholders and until their successors are elected and have qualified. The board of directors recommends a vote "FOR" each of the nominees to the board of directors described below. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the election of the nominees to the board of directors below (or as many thereof as possible under the rules of cumulative voting). In the event that any of the nominees to the board of directors should be unable to serve as a director of Delta Bancorp, it is intended that the proxy will be voted for the election of such substitute nominee to the board of directors, if any, as shall be designated by the board of directors. The board of directors has no reason to believe that any of the nominees to the board of directors named below will be unable to serve if elected. Additional nominations for director may only be made by complying with the nomination procedures, which are described under the heading "Shareholder Nominations and Proposals" at the end of this proxy statement/prospectus.

None of the directors, nominees to the board of directors or executive officers of Delta Bancorp were selected pursuant to any arrangement or understanding, other than with the directors and executive officers of Delta Bancorp, acting within their capacities as such. There are no family relationships between any directors or executive officers of Delta Bancorp, except that Toinette Rossi and Valerie Rossi are siblings.

Nominees

The following table sets forth, as of the record date, the names of, and certain information concerning, the persons to be nominated by the board of directors for election as directors of Delta Bancorp:

Name	Age	Director Since	Business Experience During the Past Five Years
William B. Barringer	59	2006	Partner of law firm, Mayol & Barringer
Theodore Poulos	89	1973	Retired since 1994 (formerly President of Manteca Drug, Inc.)
Toinette Rossi	59	1994	Executive Vice President – Delta National Bancorp; Executive Vice President – Delta Bank, National Association; Secretary and Treasurer – A. Rossi Inc., a land company; President and Secretary – Isonne Inc., a real estate company
Valerie Rossi	60	2014	Vice President, Director of Business Development – Delta Bank, National Association; Director – A. Rossi Inc., a land company; Director – Isonne Inc., a real estate company
Warren E. Wegge	67	2003	President and Chief Executive Officer – Delta National Bancorp; President and Chief Executive Officer – Delta Bank, National Association

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Required Vote

Directors will be elected by a plurality of the votes cast by shares present and entitled to vote at the annual meeting. Votes that are withheld or that are not voted in the election of directors, including broker non-votes, will have no effect on the outcome of the election.

Brokers and other nominees may not vote with respect to the election of directors without specific instructions from the person who beneficially owns the shares. Accordingly, if a shareholder whose shares are held in “street name” wants to vote with respect to the election of directors, the shareholder must instruct the broker or other nominee as to how to vote the shares.

Meetings and Committees of the Board of Directors

The directors of Delta Bancorp also serve as the directors of Delta Bank. Both boards of directors and their committees meet jointly. The boards of directors of Delta Bancorp and Delta Bank held 12 meetings in 2015. All of the directors attended 80% or more of the aggregate number of board meetings and committee meetings on which each director served, except Director Theodore Poulos, who attended 75%.

The following sets forth information regarding the functions and membership of the audit, compensation, consent order compliance and finance committees of Delta Bancorp’s and Delta Bank’s boards of directors:

Audit Committee. The present members of the audit committee are William Barringer (Chair) and Theodore Poulos. The audit committee reviews and oversees relevant accounting and regulatory matters related to Delta Bancorp’s and Delta Bank’s operations. The audit committee met 6 times during 2015.

Compensation Committee. The present members of the compensation committee are William Barringer (Chair), Theodore Poulos, Toinette Rossi and Warren Wegge. The compensation committee reviews and recommends compensation objectives and policies to the board of directors, administers the Profit Sharing Plan, and reviews and recommends salaries and bonuses for the executive officers of Delta Bancorp and Delta Bank and the amount of fees paid to the members of the boards of directors. The compensation committee did not meet during 2015.

Consent Order Compliance Committee. The consent order compliance committee is comprised of William Barringer (Chair), Warren Wegge and Theodore Poulos. This committee is mandated pursuant to Delta Bank’s October 2008 consent order with the OCC and must include at least three directors, of which no more than one may be an employee or controlling shareholder of Delta Bank or any of its affiliates, or a family member of any such person. The consent order compliance committee is responsible for monitoring and coordinating Delta Bank’s adherence to the provisions of the consent order and submitting monthly progress reports to the board of directors. The consent order compliance committee is required to meet monthly and met 12 times during 2015.

Finance Committee. The finance committee is comprised of William Barringer (Chair), Theodore Poulos, Valerie Rossi and Warren Wegge. The finance committee oversees the credit functions of Delta Bancorp and Delta Bank, including the overall credit portfolio, composite credit policies, credit review and examination policies, and the methodology and adequacy of the allowance for credit losses. It also reviews a compliance program for credit functions and the establishment and delegation of credit authority. The finance committee is also responsible for reviewing Delta Bancorp’s and Delta Bank’s performance, tax and capital management, dividend and investment policies, management of net interest margin and asset and liability management. The finance committee met 12 times during 2015.

Indebtedness and Transactions with Directors and Management

Indebtedness of Directors and Management

In the ordinary course of business Delta Bancorp, through Delta Bank, currently has deposit relationships with and has had, and may have in the future, loan relationships with their directors, officers, principal shareholders and their families and associates. All such banking relationships are entered into on substantially the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others that, in the opinion of management, do not involve more than the normal risk of collectability or present other unfavorable features. At December 31, 2015 and 2014, deposits from the foregoing related parties totaled \$2,160,565 and \$287,455, respectively, and at those same dates there were no loans outstanding.

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Delta Bank's comprehensive Conflict of Interest, Code of Ethics and Insider Transaction Policy provides for the review and approval of all insider transactions by the members of the board of directors who are not involved in such transactions. Delta Bank intends to comply with such policies and applicable law when reviewing transactions with insiders.

Transactions with Directors and Management

In December, 2014, Delta Bancorp raised \$2.2 million from directors Toinette Rossi and Valerie Rossi through a private placement sale of 55,000 shares each, for a total of 110,000 shares, at \$20 per share, of preferred stock for the purpose of raising funds to increase Delta Bank's Tier 1 capital.

Holders of preferred stock are entitled to one vote for each share on all matters on which holders of common stock are entitled to vote, including action by written consent. Prior to the payment of any dividends or distributions with respect to the common stock of Delta Bancorp, the holders of preferred stock are entitled to receive a non-cumulative cash dividend of 5.5% per annum on the "liquidation amount" of each share of preferred stock held by such holder, computed on the basis of a 360-day year consisting of twelve 30-day months and payable on January 15, April 15, July 15 and October 15 of each year. The "liquidation amount" of each share of preferred stock was originally \$20.00 per share, and increases by \$1.00 per share on January 1 of each year, commencing January 1, 2016. Holders of the preferred stock are also entitled to a payment in the event of a liquidation, dissolution or winding up of Delta Bancorp in the amount of the liquidation amount per share and any declared but unpaid dividends. Since June 30, 2015, each share of preferred stock is convertible at the option of the holder into the number of shares of common stock equal to the liquidation amount divided by 70% of the book value of the common stock, rounded down to the nearest whole share. The foregoing is a summary of the material terms of the preferred stock and is qualified in its entirety by reference to the specific language of Delta Bancorp's Certificate of Determination of 5.5% Non-Cumulative Perpetual Preferred Stock, Series A of Delta Bancorp dated December 29, 2014.

Pursuant to the terms of the Preferred Shareholder Agreement, included as Annex B to the merger agreement, the holders of the preferred stock have agreed to vote their shares in favor of the merger agreement and not to sell or to otherwise transfer their shares of preferred stock and not to convert their shares of preferred stock into common stock.

Delta Bank waives certain fees on checking accounts and cashier's checks for the benefit of its executive officers, directors and employees. In addition, Theodore Poulos, Toinette Rossi, Ronald P. Dalben and Warren Wegge have been issued credit cards by Delta Bank to be used to conduct bank business with a maximum credit of \$5,000 per card, which credit cards are required to be paid, and have been paid, in full monthly. During 2015 and 2014, the law firm of Mayol & Barringer, of which Mr. Barringer, a director of Delta Bancorp and Delta Bank, is a partner, received approximately \$62,700 and \$61,740, respectively, in legal fees from Delta Bank for legal services relating to troubled assets of Delta Bank, foreclosed properties, and other general legal services.

The terms and conditions of the foregoing transactions between Delta Bank and its directors and executive officers were no less favorable to Delta Bank than could be obtained from unaffiliated third parties.

Management and Compensation

Executive Officers

Set forth below is certain information regarding Delta Bancorp's executive officers, with the exception of Warren Wegge and Toinette Rossi, whose information is set forth under the section entitled "Proposal 2 - Election Of Directors—Nominees" above:

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Name and Position(s)	Age	Business Experience During the Past Five Years
Ronald P. Dalben Senior Vice President, Investment Officer, CRA Officer and Appraiser and Purchasing Manager	60	Senior Vice President, Investment Officer, CRA Officer, Appraiser and Purchasing Manager – Delta Bank, National Association
Robert Daneke Senior Vice President and Credit Administrator	62	Senior Vice President, Credit Administrator – Delta Bank, National Association (2012 to present); Senior Vice President, Chief Credit Officer – Mother Lode Bank (2007 to 2012)
Patricia Moore Senior Vice President and Operations Administrator	63	Senior Vice President and Operations Administrator – Delta Bank, National Association (2006 to present); Compliance Manager – Sheshunoff Management Services (2004 to 2006)

Executive Compensation

The following table sets forth all cash and non-cash compensation (including bonuses and deferred compensation) paid or accrued to the chief executive officer and Delta Bancorp's two most highly compensated executive officers (other than the chief executive officer) who received more than \$100,000 in total compensation for services performed during 2015 ("named executive officers"), as of December 31, 2015, for services rendered to Delta Bancorp and/or Delta Bank during the periods indicated below:

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation	All Other Compensation ¹
Robert Daneke Senior Vice President and Credit Administrator	2015	\$ 150,000	\$ 0	\$ 0	\$ 0
	2014	\$ 150,000	\$ 0	\$ 0	\$ 0
	2013	\$ 150,000	\$ 0	\$ 0	\$ 0
Toinette Rossi Director and Executive Vice President	2015	\$ 141,326	\$ 0	\$ 0	\$ 4,800
	2014	\$ 141,326	\$ 0	\$ 0	\$ 4,800
	2013	\$ 141,326	\$ 0	\$ 0	\$ 4,800
Warren E. Wegge Director, Chief Executive Officer and President	2015	\$ 217,644	\$ 0	\$ 0	\$ 4,800
	2014	\$ 217,644	\$ 0	\$ 0	\$ 4,800
	2013	\$ 217,644	\$ 0	\$ 0	\$ 4,800

¹ Represents directors' fees discussed below in "Compensation of Directors."

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Compensation Plans

Profit Sharing Plan

In 1978 Delta Bank adopted a profit sharing plan (the “Profit Sharing Plan”) to provide for participating employees’ retirement. The Profit Sharing Plan has been amended or restated over the years and was available to all employees who had completed at least one year of service with Delta Bank. In January, 2012, the Profit Sharing Plan was merged with the 401(k) Plan (discussed below). The Profit Sharing Plan invested in Delta Bancorp common stock, along with other investments, and as a result of an examination by the U.S. Department of Labor that commenced in 2013, \$385,808 was contributed to the Profit Sharing Plan during 2014 to restore a decline in value of the Delta Bancorp common stock.

A second profit sharing plan was adopted in January, 2015, for the purpose of holding the Delta Bancorp common stock separately from the 401(k) Plan. That second profit sharing plan was terminated in June, 2015, and the shares were distributed to the second profit sharing plan’s participants (or their retirement plans).

401(k) Plan

In 1995 Delta Bank adopted a 401(k) plan (the “401(k) Plan”) to provide for participating employees’ retirement. The 401(k) Plan is available to all employees who have completed one year of service and reached age 18, and allows them to defer up to fifteen percent (15%) of their annual income. Under the 401(k) Plan, Delta Bank has the power to make discretionary contributions which will vest at a proportional rate based on each year of completed employment. Withdrawal of a participant’s contributions is permitted before the employee separates from service with Delta Bank only in hardship cases of immediate and heavy financial need. Delta Bank did not make any contributions to the 401(k) Plan during 2014 or 2015.

Compensation of Directors

During 2015, all directors received an annual retainer of \$4,800 for serving on the board of directors of Delta Bancorp. In addition: (i) Mr. Barringer received \$13,600 and Mr. Poulos received \$10,800 as an additional annual retainer for serving on the board of directors of Delta Bank; and (ii) Mr. Barringer received \$4,800 for service as chairman of the board, \$4,800 for his service as chairman of the audit committee, and \$4,800 for his service as chairman of the finance committee.

Indemnification of Directors

The CGCL and Article VI of Delta Bancorp’s bylaws provides for indemnification for “agents,” defined to include directors, officers, employees or other agents, for certain acts. In addition, Delta Bancorp has a directors’ and officers’ liability insurance policy.

Pursuant to the terms of the merger agreement, F&M Bancorp will continue to indemnify Delta Bancorp’s “agents” for six years following consummation of the merger and Delta Bancorp will purchase “tail” coverage providing for a six-year extension of coverage under the directors’ and officers’ liability insurance policy.

Delta Bancorp believes these provisions assist in securing the services of qualified directors who are not employees of Delta Bancorp.

Board Recommendation

Delta Bancorp's board of directors recommends that you vote "FOR" each of the five nominees named above. Proxies solicited by the board of directors will be voted "FOR" each of the five nominees named above unless otherwise instructed on the proxy card.

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PROPOSAL 3

RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTING FIRM

The board of directors, upon the recommendation of the audit committee, has approved the appointment of the firm of Richardson & Company, LLP as the independent public accounting firm to audit Delta Bancorp's consolidated financial statements for the fiscal year ending December 31, 2016, to report on the consolidated financial statements of Delta Bancorp, and to perform such other appropriate accounting services as may be required by the board of directors. The board of directors recommends a vote "FOR" ratification of the appointment of Richardson & Company, LLP for the purposes set forth above. If the appointment is not ratified, the board of directors will select another independent public accounting firm. Representatives from Richardson & Company, LLP will not be present at the annual meeting.

Audit Fees

The aggregate fees billed by Richardson & Company, LLP for professional services rendered for the audit of Delta Bancorp's annual consolidated financial statements for the fiscal year ended December 31, 2015 was \$49,600.

Audit Related Fees

There were no fees billed by Richardson & Company, LLP for assurance and related services that are reasonably related to the performance of the audit and review of Delta Bancorp's annual financial statements, and permitted internal audit outsourcing, for the fiscal year ended December 31, 2015.

Tax Fees

The aggregate fees billed for professional services rendered by Richardson & Company, LLP for tax compliance, tax advice and tax planning for the fiscal year ended December 31, 2015, was \$2,140.

All Other Fees

\$1,479 in other fees were incurred for other accounting advice and services for the fiscal year ended December 31, 2015.

The audit committee of the board of directors of Delta Bancorp has a policy of considering whether the provision of services other than the audit services is compatible with maintaining Richardson & Company, LLP's independence. There were no such services performed by Richardson & Company, LLP during 2015.

Pre-approval of Services by Richardson & Company, LLP

The audit committee has adopted a policy for pre-approval of audit and permitted non-audit services by Richardson & Company, LLP. The audit committee will consider annually and, if appropriate, approve the provision of audit services by its independent public accounting firm and consider and, if appropriate, pre-approve the provision of certain defined audit and non-audit services. The audit committee will also consider on a case-by-case basis and, if appropriate, approve specific engagements that are not otherwise pre-approved. There were no non-audit services performed by Richardson & Company, LLP in 2015, other than the preparation of the tax return and accounting advice.

Any proposed engagement that does not fit within the definition of a pre-approved service may be presented to the audit committee for consideration at its next regular meeting or, if earlier consideration is required, to one or more of its members. The member or members to whom such authority is delegated shall report any specific approval of

services at the audit committee's next regular meeting. The audit committee reviews summary reports detailing all services being provided by its independent public accounting firm.

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Audit Committee Report

The audit committee is composed of two non-employee directors and one employee director and operates under the direction of the board of directors. Management of Delta Bancorp is responsible for Delta Bancorp's internal controls and the financial reporting process. The independent public accounting firm is responsible for performing an independent audit of Delta Bancorp's consolidated financial statements in accordance with generally accepted auditing standards and to issue an opinion thereon. The audit committee's responsibility is to monitor and oversee these processes.

The audit committee reports regularly to the board of directors of Delta Bancorp and has the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate and necessary to perform its duties.

In this context, the audit committee has met and held discussions with management and the independent public accounting firm regarding the audited financial statements of Delta Bancorp. Management represented to the audit committee that Delta Bancorp's consolidated financial statements were prepared in accordance with generally accepted accounting principles and the audit committee has reviewed and discussed the consolidated financial statements with management and the independent public accounting firm. The audit committee discussed with the independent public accounting firm matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended, including the independent public accounting firm's judgments about the quality, as well as the acceptability, of Delta Bancorp's accounting principles as applied in its financial reporting.

In performing its functions, the audit committee acts only in an oversight capacity and necessarily relies on the work and assurances of Delta Bancorp's management, which has the primary responsibility for financial statements and reports, and of the independent public accounting firm, which, in its report, expresses an opinion on the conformity of Delta Bancorp's annual financial statements to generally accepted accounting principles.

Based on the audit committee's discussion with management and the independent public accounting firm and the audit committee's review of the representation of management and the report of the independent public accounting firm to the audit committee, the audit committee recommended that the board of directors include the audited consolidated financial statements in Delta Bancorp's Annual Report for the year ended December 31, 2015.

Vote Required

The appointment of Richardson & Company, LLP as Delta Bancorp's independent public accounting firm requires the affirmative vote of at least a majority of the shares of Delta Bancorp stock (both common stock and preferred stock, voting together) voted in person or represented by proxy and entitled to vote at the annual meeting. Abstentions and broker non-votes will have no effect on the proposal to ratify the appointment of Richardson & Company, LLP, but will be treated as present at the meeting for purposes of determining a quorum.

Board Recommendation

Delta Bancorp's board of directors unanimously recommends a vote "FOR" ratification of the board of directors' appointment of Richardson & Company, LLP as Delta Bancorp's independent public accounting firm for the year ending December 31, 2016. Proxies solicited by Delta Bancorp's board of directors will be voted "FOR" this proposal unless otherwise instructed on the proxy card.

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PROPOSAL 4

ADJOURNMENT OR POSTPONEMENT OF THE MEETING

General

If there are insufficient shares of Delta Bancorp stock (common and/or preferred) represented at the annual meeting to constitute a quorum or if the number of shares of Delta Bancorp common stock and/or preferred stock voting “FOR” approval of the merger proposal is insufficient to approve that proposal at the annual meeting, then the person(s) designated as the proxy holder stated in the proxy card of Delta Bancorp intends to move to adjourn the annual meeting in order to enable the Delta Bancorp board of directors to solicit additional proxies for a quorum and/or for approval of the merger proposal.

In this proposal, Delta Bancorp is asking shareholders to grant discretionary authority to the person(s) designated as the proxy holder stated in the proxy card to move to adjourn the annual meeting if there are insufficient shares represented to constitute a quorum at the annual meeting or if the number of shares voting for approval of the merger proposal is insufficient to approve that proposal at the annual meeting. If the shareholders approve the adjournment proposal, Delta Bancorp will be able to adjourn the annual meeting to another time and use the additional time to solicit additional proxies, including the solicitation of proxies from shareholders that have previously voted on the merger proposal. Among other things, approval of the adjournment proposal could mean that, even if Delta Bancorp has received proxies representing a sufficient number of votes against approval and adoption of the merger proposal, Delta Bancorp could adjourn the annual meeting without a vote on the merger proposal and seek to convince the holders of those shares to change their votes to votes in favor of the approval and adoption of the merger proposal.

If the annual meeting is adjourned so that the board of directors can solicit additional proxies to approve the merger proposal, Delta Bancorp is not required to give any notice of the adjourned meeting other than an announcement made at the annual meeting of the place, date and time of the adjourned meeting.

Vote Required

The adjournment proposal requires the affirmative vote of at least a majority of the shares of Delta Bancorp stock (both common stock and preferred stock, voting together) voted in person or represented by proxy and entitled to vote at the annual meeting. Abstentions and broker non-votes will have no effect on the proposal to adjourn the annual meeting, but will be treated as present at the meeting for purposes of determining a quorum.

Brokers may not vote on the adjournment proposal without specific instructions from the person who beneficially owns the shares. Accordingly, if a shareholder whose shares are held in “street name” wants to vote with respect to the adjournment proposal, the shareholder must instruct the broker or other nominee as to how to vote the shares.

Board Recommendation

Delta Bancorp’s board of directors unanimously recommends a vote “FOR” adjournment of the annual meeting, if necessary, to solicit additional proxies if there are insufficient shares represented for a quorum or if there are insufficient votes in favor of the merger proposal. Proxies solicited by Delta Bancorp’s board of directors will be voted “FOR” this proposal unless otherwise instructed on the proxy card.

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SHAREHOLDER NOMINATIONS AND PROPOSALS

Section 23 of the bylaws of Delta Bancorp provides that nominations for election to the board of directors may be made by the board of directors or by any shareholder of any outstanding class of voting stock of Delta Bancorp entitled to vote for the election of directors. Notice of intention to make any nominations, other than by the board of directors, must be made in writing and must be mailed to Delta Bancorp's president no more than 60 days and no less than 30 days prior to any meeting of shareholders called for the election of directors; provided, however, that if less than 21 days' notice of the annual meeting is given to shareholders, such notice of intention to nominate must be mailed to the president not later than the close of business on the 7th day following the day on which the notice of the annual meeting was mailed. Such notification must contain the information required by Section 23 of the bylaws of Delta Bancorp, which requires detailed information about the shareholder making the nomination and about the nominee(s). Nominations not made in accordance the bylaws of Delta Bancorp will be disregarded by the chairman of the annual meeting, and the inspector(s) of election will be instructed to disregard all votes cast for such nominee(s). The chairman of the annual meeting will decide whether a notice has been properly given and whether any nomination should be recognized and his or her determination will be final.

The effect of the foregoing provision is that any shareholder wishing to nominate one or more candidates for election to the board of directors at the annual meeting must mail [or have mailed] to the president of Delta Bancorp a proper written notice of an intention to make such a nomination no earlier than August 18, 2016 and no later than the close of business on September 17, 2016, or such nomination will not be considered at the annual meeting.

Section 9 of the Delta Bancorp bylaws provides that for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Delta Bancorp's secretary and must have been a shareholder of record at the time such notice is given. To be timely, a shareholder's notice must be delivered to or mailed and received at Delta Bancorp's principal executive office no more than 90 days and no less than 70 days prior to the first anniversary date of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 20 days, or delayed by more than 70 days, from such anniversary date, notice by the shareholder to be timely must be so delivered or mailed and received no earlier than 90 days prior to such annual meeting and no later than the close of business on the later of the 70 days prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made. Such shareholder's notice to the secretary must set forth as to each matter the shareholder proposes to bring before the annual meeting the information required by Section 9 of Delta Bancorp's bylaws.

The effect of the foregoing provision is that any shareholder wishing to bring business before the annual meeting must properly submit [or have properly submitted] such proposal no earlier than July 19, 2016, and no later than September 24, 2016.

You may request a copy of the Delta Bancorp bylaws by writing to Delta National Bancorp, Corporate Secretary, P.O. Box 1900, 611 North Main Street, Manteca, California 95336.

OTHER MATTERS

The board of directors does not know of any other business to be presented for action at the annual meeting other than that set forth in the Notice of Annual Meeting of Shareholders. However, if other matters properly come before the annual meeting, it is the intention of the proxy holders named in the accompanying proxy to vote the proxy in accordance with the recommendations of the board of directors on such matters.

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EXPERTS

F&M Bancorp's consolidated financial statements appearing in its Annual Report on Form 10-K for the year ended December 31, 2015 have been audited by Moss Adams LLP, an independent public accounting firm, as set forth in their report included therein, which are incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

Stuart | Moore, counsel for F&M Bancorp, has provided an opinion as to the legality of the F&M Bancorp common stock to be issued in connection with the merger.

WHERE YOU CAN FIND MORE INFORMATION

Farmers & Merchants Bancorp

F&M Bancorp files annual, quarterly and current reports, proxy statements and other information with the Commission. Delta Bancorp shareholders may read and copy any reports, proxy statements or other information filed by F&M Bancorp at the Commission's public reference room in Washington, D.C., which is located at the following address: Public Reference Room, 100 F Street N.E., Washington, D.C. 20549.

F&M Bancorp and Delta Bancorp shareholders can request copies of these documents, upon payment of a duplicating fee, by writing to the Commission. Please call the Commission at 1-800-SEC-0330 for further information on the operation of the Commission's public reference rooms. F&M Bancorp's filings with the Commission are also available to the public from document retrieval services and at the Commission's Internet website (<http://www.sec.gov>). F&M Bancorp's filings with the Commission are also available at its website at www.fmbonline.com.

F&M Bancorp has filed with the Commission a registration statement on Form S-4 under the Securities Act and the rules and regulations thereunder. This proxy statement/prospectus is a part of that registration statement. As permitted by the Commission's rules, this proxy statement/prospectus does not contain all of the information that can be found in the registration statement. The registration statement is available for inspection and copying as set forth above.

The Commission allows F&M Bancorp to "incorporate by reference" into this proxy statement/prospectus, which means that F&M Bancorp can disclose important information to you by referring you to another document filed separately with the Commission. The information incorporated by reference is considered to be part of this proxy statement/prospectus, except for any information superseded by information contained in later filed documents incorporated by reference in this proxy statement/prospectus.

F&M Bancorp incorporates by reference the respective documents filed by it with the Commission listed below and any future filings made by it with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the dates of the F&M Bancorp annual meeting and the Delta Bancorp annual meeting (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with the rules of the Commission):

· F&M Bancorp's Annual Report on Form 10-K for the year ended December 31, 2015, filed on March 14, 2016.

· F&M Bancorp's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, filed on May 9, 2016.

F&M Bancorp's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, filed on August 8, 2016.

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F&M Bancorp's Current Reports on Form 8-K filed on February 10, 2016, February 19, 2016, April 4, 2016, April 11, 2016, May 2, 2016, May 18, 2016, June 9, 2016, June 10, 2016 and July 25, 2016.

F&M Bancorp's annual meeting proxy statement, filed on April 11, 2016 (only those portions that have been incorporated by reference in the 2015 Annual Report on Form 10-K).

You may request a copy of documents incorporated by reference in this document but not otherwise accompanying this document, at no cost, by writing or telephoning F&M Bancorp at the following addresses:

Farmers & Merchants Bancorp
111 West Pine Street
Lodi, California 95240
Attention: Stephen Haley
Telephone: (209) 367-2300

To obtain timely delivery, you should request desired information no later than five (5) business days prior to the date of the annual meeting, or by Monday, October 10, 2016.

Delta National Bancorp

Delta Bancorp does not have a class of securities registered under Section 12 of the Exchange Act, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act and, accordingly, does not file documents and reports with the Commission. Delta Bancorp's audited financial statements for the years ended December 31, 2015 and 2014 were previously provided to Delta Bancorp's shareholders in Delta Bancorp's Annual Report. Delta Bancorp's unaudited interim financial statements as of and for the six month periods ended June 30, 2016 and 2015 are included elsewhere in this proxy statement/prospectus.

If you are a Delta Bancorp shareholder and have any questions concerning the merger, the merger agreement or this proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or the Annual Report, or need help voting your shares of Delta Bancorp common stock, please contact Warren E. Wegge, Delta Bancorp's President & CEO, at the following address:

Delta National Bancorp
611 North Main Street
Manteca CA 95336

or at the following telephone number:

(209) 824-4030

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus. F&M Bancorp and Delta Bancorp have not authorized anyone else to provide you with information that is different from that which is contained in this proxy statement/prospectus. Moreover, neither F&M Bancorp nor Delta Bancorp is making an offer to sell or soliciting an offer to buy any securities other than the F&M Bancorp common stock to be issued by F&M Bancorp in the merger, and neither F&M Bancorp nor Delta Bancorp is making an offer of such securities in any state where the offer is not permitted. The information contained in this proxy statement/prospectus speaks only as of its date unless the information specifically indicates that another date applies.

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DELTA NATIONAL BANCORP AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

June 30, 2016 (Unaudited), December 31, 2015 (Audited) and June 30, 2015 (Unaudited)

	June 30, 2016	December 31, 2015	June 30, 2015
ASSETS			
Cash and due from banks	\$2,566,318	\$2,762,095	\$3,588,124
Interest-bearing deposits in other banks	9,763	9,029	6,573
Federal funds sold	8,720,000	4,220,000	8,010,000
Total cash and cash equivalents	11,296,081	6,991,124	11,604,697
Interest-bearing certificates of deposit	4,564,000	6,796,000	9,276,000
Securities available-for-sale, at fair value	45,424,187	36,408,653	33,230,254
Loans, net	40,243,262	41,847,891	37,477,324
Premises and equipment, net	1,745,750	1,760,982	1,854,451
Foreclosed real estate	4,450,484	6,830,800	7,706,604
Federal Reserve Bank stock	133,750	133,750	133,750
Accrued interest receivable and other assets	1,301,352	1,477,502	1,337,036
TOTAL ASSETS	\$109,158,866	\$102,246,702	\$102,620,116
LIABILITIES			
Deposits			
Noninterest-bearing demand	\$29,289,777	\$25,715,818	\$25,093,227
Interest-bearing demand	27,263,214	26,514,708	26,799,882
Savings	27,868,600	25,010,337	24,164,188
Time deposits, \$100,000 or more	9,251,472	8,736,843	9,431,665
Time deposits, under \$100,000	6,513,015	7,114,696	7,728,306
Total deposits	100,186,078	93,092,402	93,217,268
Accrued interest payable and other liabilities	378,265	292,263	341,315