



F&M BANK RECEIVES HIGHEST SAFETY AND SOUNDNESS RATINGS

DATELINE: *Lodi, Calif., May 2, 2011...* Kent A. Steinwert, Chairman, President and Chief Executive Officer of Farmers & Merchants Bank of Central California proudly announced that F&M Bank has once again been recognized as one of California's safest and most secure banks by leading national rating firms.

BAUERFINANCIAL, Inc., one of the most respected national bank rating firms, announced that F&M Bank has earned the highest "5-Star Superior Rating" for financial strength and stability based upon 2010 year-end financials. This is the 80th consecutive quarter that F&M Bank has earned this honor and it puts F&M in an even more elite group of **"Sustained Superiority Banks."** F&M is the only commercial bank in the state of California that has received this award for 20 or more consecutive years!

VERIBANC,[®] awarded F&M Bank their highest rating, the "Blue Ribbon Bank Commendation of Excellence" based upon 2010 year-end financials. This is the 60th consecutive quarter that F&M Bank has earned this honor. In addition, F&M Bank is the only bank in Sacramento, San Joaquin, Stanislaus and Merced Counties that has been a Blue Ribbon Bank for 15 or more consecutive years!

The Findley Companies, California's preeminent bank advisory and consulting firm, named F&M Bank **"The 2010 Exceptional Large Bank in California"** and recognizes F&M Bank for the 9th year in a row as a "Super Premier Performing" Bank.

Bankrate.com's Safe & Sound[®] Ratings Service has awarded F&M Bank the "Safe & Sound 5-Star Superior Rating" for the quarter ending December 31, 2010. This is their highest award rating and is defined as a "Superior" ranking of relative financial strength and stability.

According to Karen L. Dorway, president of the research firm **BAUERFINANCIAL**, "community banks, like Farmers & Merchants Bank, tend to know their customers, the local business community, when to grant a loan... and when not to grant one. What many people don't realize is that community banks actually have better balance sheets than their larger counterparts. Their capital ratios and nonperforming asset ratios are typically much more impressive than larger institutions. Community banks, like F&M Bank, are not the banks that threaten our economic well-being. On the contrary, they are the lifeblood of it."

"In 2010 Farmers & Merchants Bank had another solid year. Farmers & Merchants Bank continues to show why it is a "Super Premier Performer" operating in the difficult Central Valley marketplace and we see many years ahead of continued top level performance," stated in **The Findley Reports** April 2011 Newsletter.

"Now more than ever, consumers need to know that their money is safe," said Thomas R. Evans, President and CEO of **Bankrate.com**. "Historically, when financial institutions receive one of our 4 or 5 star Safe & Sound[®] ratings, it has been a strong indicator of their financial health," Mr. Evans added.

"The Board of Directors and Management Team's number one priority is to keep Farmers & Merchants Bank safe and secure for years to come. We are extremely proud that F&M Bank has been recognized as one of the strongest banks in California. These enviable ratings acknowledge the Board of Directors and Management Team's success in building F&M Bank into one of California's most secure and safe financial institutions," stated Steinwert.

Founded in 1916, Farmers & Merchants Bank of Central California, which operates as F&M Bank, a full service, locally owned and operated community bank with over \$1.8 billion in assets. F&M Bank proudly serves California's Great Central Valley through 24 convenient locations from Sacramento to Merced.

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