

FARMERS & MERCHANTS BANCORP

FARMERS & MERCHANTS BANCORP REPORTS RECORD THIRD QUARTER AND YEAR-TO-DATE EARNINGS

(Lodi, California, October 29, 2015) - Farmers & Merchants Bancorp today announced record net income for third quarter and year-to-date 2015.

For the quarter ending September 30, 2015, Farmers & Merchants Bancorp reported net income of \$7.0 million, a 9.5% increase from net income of \$6.4 million earned in third quarter of 2014. Earnings per share of common stock for the quarter were \$8.96, up 8.3% from the same period in 2014. Net interest income for the quarter ending September 30, 2015 was \$22.2 million, up 11.4% from the same quarter in 2014. Non-interest income for the quarter increased 27.1% over the same quarter in 2014. Return on average assets for the third quarter of 2015 was 1.14%, and return on average equity was 11.50%. Total assets at quarter-end were \$2.5 billion, up 13.8% from the third quarter of 2014. Total loans outstanding reached \$1.9 billion, an increase of 18.2%, and total deposits of \$2.1 billion increased 13.7% from the prior year. The Company's loan quality remained strong with non-performing loans as of September 30, 2015 totaling only 0.15% of total loans. In addition, the Company's loan loss reserve was \$39.1 million, or 2.04% of total loans, representing an increase of \$4.8 million from the same period in 2014. The Company's tier 1 leverage capital ratio was 10.44% at September 30, 2015, resulting in the highest possible regulatory classification of "well capitalized."

For the nine-month period ending September 30, 2015, net income was \$20.2 million, up 7.3% from the prior year, and earnings per share of common stock outstanding were \$25.70, up from \$24.19 in 2014. Net interest income increased to \$63.6 million for the nine-month period in 2015, up 11.5% from the same period in 2014. Non-interest income for the first nine months increased 11.7% over the same period in 2014. For the first nine months, return on average assets was 1.12%, and return on average equity was 11.13%.

Kent Steinwert, Farmers & Merchants Bancorp's Chairman, President and Chief Executive Officer, stated, "We are very pleased with the Company's strong performance in 2015,

following record net income in 2014, and despite many headwinds impacting our industry, we have a positive outlook for the remainder of 2015 and into 2016. Bank credit quality remains excellent and capital ratios remain well above all regulatory well-capitalized measures. We have maintained a 5-Star rating from BauerFinancial for 25 consecutive years, longer than any other commercial bank in the state of California.”

Farmers & Merchants Bancorp is the parent company of Farmers & Merchants Bank of Central California, also known as F&M Bank. Founded in 1916, F&M Bank is a locally owned and operated community bank which proudly serves California through 25 convenient locations. The Bank has recently expanded into the Bay Area with new full service branches in Walnut Creek and Concord. F&M Bank offers a full complement of loan, deposit, equipment leasing, and treasury management services to businesses, as well as robust consumer and retail banking products. For more information about Farmers & Merchants Bancorp and F&M Bank visit www.fmbonline.com.

Forward-Looking Statements

Statements concerning future performance, developments or events, expectations for growth and income forecasts, and any other guidance on future periods, constitute forward-looking statements that are subject to a number of risks and uncertainties. Actual results may differ materially from stated expectations. Specific factors include, but are not limited to, loan production, balance sheet management, levels of net interest margin, the ability to control costs and expenses, interest rate changes, the competitive environment, financial and regulatory policies of the United States government, ongoing drought conditions in California and general economic conditions. Additional information on these and other factors that could affect financial results are included in our Securities and Exchange Commission filings. The Company disclaims any obligation to update any such factors or to publicly announce the results of any revisions to any forward-looking statements contained herein to reflect future events or developments.

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