



Contact:
Kevin Tiber
President
562-499-4829

Roger Pondel
PondelWilkinson Inc.
Investor Relations
310-279-5980
investor@pondel.com

FARMERS & MERCHANTS BANK OF LONG BEACH REPORTS 2025 FIRST QUARTER RESULTS

LONG BEACH, Calif. – April 22, 2025 – Farmers & Merchants Bank of Long Beach (“F&M” or the “Bank”) (OTCQX: FMBL) today reported financial results for the first quarter ended March 31, 2025.

“I am proud of F&M’s results for the 2025 first quarter, which exhibited the Bank’s resiliency during an increasingly challenging and unsettled external environment,” said W. Henry Walker, Chief Executive Officer of F&M Bank. “Our performance benefited from F&M’s legacy of prudent fiscal management and culture of safety and service excellence. We are proceeding into 2025 from a position of strength, with a healthy balance sheet, capital ratios that continue to far exceed regulatory requirements, and a talented, committed team of banking professionals throughout our organization.”

Daniel Walker, F&M’s Executive Chairman, added, “While heightened uncertainty in the general economy is taking center stage, F&M continues to uphold its core values as it has for the past 118 years through all economic cycles. We will continue do the right thing for our depositors and borrowers, our investors, and for all of our stakeholders in the communities we serve.”

Operating Results

For the first quarter of 2025, total interest and dividend income amounted to \$104.7 million, compared with \$108.6 million in the first quarter of 2024. Total interest expense for the first quarter of 2025 was \$40.6 million, compared with \$51.2 million a year ago.

Net interest income before recapture of provision for credit losses for the 2025 first quarter rose to \$64.1 million, from \$57.4 million for the first quarter of 2024. F&M’s net interest margin improved to 2.28% for the first quarter of 2025, from 1.91% for the first quarter of 2024.

For the first quarter of 2025, the Bank recorded a \$2.0 million recapture of provision for credit losses, compared with a \$2.5 million recapture of provision for credit losses in the first quarter of 2024.

Total non-interest income was \$4.3 million for the first quarter of 2025, compared with non-interest income of \$8.2 million last year. Total non-interest expense for the first quarter of 2025 was \$48.0 million, compared with \$50.1 million for the first quarter of 2024.

First quarter 2025 net income increased to \$16.8 million, or \$136.27 per diluted share, from \$13.0 million, or \$102.71 per diluted share for the first quarter of 2024.

Balance Sheet

Gross loans were \$6.43 billion as of March 31, 2025, compared with \$6.47 billion at December 31, 2024. The Bank's allowance for loan losses totaled \$96.6 million, or 1.50% of loans held-for-investment at both March 31, 2025 and December 31, 2024.

The Bank's total deposits at March 31, 2025 amounted to \$8.70 billion, compared with \$8.77 billion at December 31, 2024. Noninterest-bearing deposits represented 34.3% of total deposits at March 31, 2025, and 33.2% at December 31, 2024.

Securities sold under repurchase agreements decreased to \$960.5 million at March 31, 2025, from \$991.9 million at December 31, 2024. Borrowings were \$400.0 million at March 31, 2024, a decrease of \$100.0 million from \$500.0 million at December 31, 2024.

Total assets at March 31, 2025 were \$11.49 billion, compared with \$11.69 billion at December 31, 2024. Total stockholders' equity was \$1.38 billion at March 31, 2025, up from \$1.37 billion at December 31, 2024.

Capital

All of F&M's regulatory capital ratios are well in excess of regulatory requirements for a "well-capitalized" financial institution. The Bank's total risk-based capital ratio was 19.16%; its tier 1 risk-based capital ratio was 17.91%, with a common equity tier 1 capital ratio of 17.91%, and a tier 1 leverage ratio of 11.89%, as of March 31, 2025. The minimum ratios for capital adequacy for a "well-capitalized" bank are 10.00%, 8.00%, 6.50% and 5.00%, respectively.

Stock Repurchase Program

During the three months ended March 31, 2025, the Bank repurchased 704 shares of its common stock for \$4.0 million on the open market at an average repurchase price of \$5,661.92 per share. Under the stock purchase program, the Bank may purchase shares of its common stock through various means, including open market transactions and privately negotiated transactions, in each case, subject to applicable requirements and laws.

To the extent the Bank repurchases shares, the number of shares repurchased and the timing of any repurchases will depend on a number of factors, including, but not limited to, stock price, trading volume, regulatory requirements, general business conditions and other factors. The Bank may choose to modify, suspend or discontinue such proposed purchases at any time and anticipates that any such repurchases will be funded from existing cash and cash equivalents or future cash flow. The stock repurchase program does not obligate the Bank to repurchase any specific number of shares in any particular period.

About Farmers & Merchants Bank of Long Beach

Founded in Long Beach in 1907 by C.J. Walker, Farmers & Merchants Bank provides white-glove service to clients at 27 branches from San Clemente to Santa Barbara, as well as through its Online and Mobile Banking platforms. The Bank offers commercial and small business banking, business loan programs, home loans, and a robust offering of consumer retail banking products, including checking, savings and youth accounts. Farmers & Merchants Bank is a California state-chartered bank with deposits insured by the Federal Deposit Insurance Corporation (Member FDIC) and an Equal Housing Lender. For more information about F&M, please visit the website, www.fmb.com.

(Financial Tables Follow)

FARMERS & MERCHANTS BANK OF LONG BEACH**Income Statements (Unaudited)**
(In thousands, except per share data)

	Three Months Ended March 31,	
	2025	2024
Interest and dividend income:		
Loans	\$ 74,942	\$ 75,485
Investment securities	19,249	20,371
Interest-bearing deposits in financial institutions	10,015	12,241
Investments in FHLB and FRB stock	457	539
Total interest and dividend income	104,663	108,636
Interest expense:		
Deposits	27,349	27,459
Securities sold under repurchase agreements	8,382	9,610
Borrowings	4,837	14,123
Total interest expense	40,568	51,192
Net interest income before recapture for credit losses	64,095	57,444
Recapture for credit losses:		
Loans	-	(1,500)
Investment securities	-	-
Reserve for unfunded loan commitments	(2,000)	(1,000)
Total recapture for credit losses	(2,000)	(2,500)
Net interest income after recapture for credit losses	66,095	59,944
Non-interest income:		
Service charges on deposit accounts	2,041	1,809
Card income	204	225
Other income	2,078	6,209
Total non-interest income	4,323	8,243
Non-interest expense:		
Salaries and employee benefits	30,871	30,777
FDIC and other insurance expense	2,078	2,874
Occupancy expense	3,962	3,890
Software and equipment expense	4,444	4,263
Other real estate owned expense	8	37
Professional and legal services	2,090	2,495
Marketing expense	1,219	1,038
Other expense	3,326	4,707
Total non-interest expense	47,998	50,081
Income before income tax expense	22,420	18,106
Income tax expense	5,608	5,104
Net income	\$ 16,812	\$ 13,002
Basic earnings per common share	\$ 137.52	\$ 105.90
Diluted earnings per common share	\$ 136.27	\$ 102.71
Basic weighted-average shares outstanding	122,248	122,772
Diluted weighted-average shares outstanding	123,373	126,592

FARMERS & MERCHANTS BANK OF LONG BEACH

Balance Sheets (Unaudited)

(In thousands, except share and per share data)

	<u>Mar. 31, 2025</u>	<u>Dec. 31, 2024</u>
Assets		
Cash and due from banks:		
Non-interest-bearing balances	\$ 75,590	\$ 72,319
Interest-bearing balances	981,757	976,039
Total cash and due from banks	1,057,347	1,048,358
Securities available-for-sale, at fair value	212,272	281,219
Securities held-to-maturity, at amortized cost		
net allowance for credit losses	3,591,500	3,687,417
Loans held for sale	97	1,132
Gross loans	6,427,366	6,467,991
Unamortized deferred loan fees, net	(8,416)	(8,811)
Allowance for credit losses on loans	(96,584)	(96,585)
Loans, net	6,322,366	6,362,595
Investments in FHLB and FRB stock, at cost	22,398	22,472
Bank premises and equipment, net	117,021	118,474
Deferred tax assets, net	42,346	42,427
Other assets	121,771	125,975
Total assets	\$ 11,487,118	\$ 11,690,069
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Non-interest-bearing demand deposits	\$ 2,980,228	\$ 2,908,598
Interest-bearing demand deposits	1,877,416	2,047,524
Savings and money market savings	2,822,318	2,784,678
Time deposits	1,016,666	1,028,793
Total deposits	8,696,628	8,769,593
Securities sold under repurchase agreements	960,467	991,869
Borrowings	400,000	500,000
Other liabilities	51,330	59,724
Total liabilities	10,108,425	10,321,186
Stockholders' Equity:		
Common Stock, par value \$20; authorized 250,000 shares;		
122,004 and 122,728 shares issued and outstanding at		
March 31, 2025 and December 31, 2024, respectively	2,440	2,455
Additional paid-in capital	165,363	169,136
Retained earnings	1,212,617	1,199,221
Accumulated other comprehensive loss	(1,727)	(1,929)
Total stockholders' equity	1,378,693	1,368,883
Total liabilities and stockholders' equity	\$ 11,487,118	\$ 11,690,069