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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.

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)

| Interest and dividend income: 8 7 4,942 (\$ 5,75,485) Loans (\$ 7,4042 (\$ 2,07,71) \$ 7,4042 (\$ 2,07,71) Interest-bearing deposits in financial institutions (\$ 10,015 (\$ 2,02,11) \$ 12,241 (\$ 2,02,11) Investments securities (\$ 10,005 (\$ 2,02,11) \$ 10,86,36 (\$ 2,02,11) Investments in FHLB and FRB stock (\$ 15,005 (\$ 2,02,13) \$ 10,86,36 (\$ 2,02,13) Total interest and dividend income \$ 27,349 (\$ 27,459 (\$ 2,06) Borrowings \$ 4,837 (\$ 2,06) Securities sold under repurchase agreements \$ 3,832 (\$ 9,6) Borrowings \$ 4,837 (\$ 1,102) Total interest expense \$ 40,568 (\$ 5,102) Net interest income before recapture for credit losses \$ 2,000 (\$ 2,000) Investment securities \$ 2,000 (\$ 2,000) Reserve for unfunded loan commitments \$ 2,000 (\$ 2,000) Total recapture for credit losses \$ 2,000 (\$ 2,000) Net interest income after recapture for credit losses \$ 2,000 (\$ 2,000) Total recapture for credit losses \$ 2,000 (\$ 2,000) Net interest income after recapture for credit losses \$ 2,001 (\$ 2,000) Total recapture for credit losses \$ 2,001 (\$ 2,000) Card income \$ 2,0 | | Thre | ded Ma | ed March 31, | |
|---|--|------|---------|--------------|---------|
| Loans \$ 74,942 \$ 75,885 Investment securities 19,249 20,371 Interest-bearing deposits in financial institutions 10,015 2,241 Investments in FHLB and FRB stock 457 539 Total interest and dividend income 104,663 108,663 Interest expense 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 Not interest income before recapture for credit losses 6,4095 57,444 Recapture for credit losses 2 1,500 1,500 Investment securities 1 1,500 1,500 Total recapture for credit losses (2,000) 2,500 1,000 Total recapture for credit losses (2,000) 2,500 Net interest income after recapture for credit losses 2,041 1,809 Service charges on deposit accounts 2,041 1,809 Card income 2,078 6,209 Other income <th< th=""><th></th><th></th><th>2025</th><th></th><th>2024</th></th<> | | | 2025 | | 2024 |
| 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: 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: - (1,500) Investment securities - (1,500) Investment securities - (2,000) (2,500) Reserve for unfunded loan commitments (2,000) (2,500) Not interest income after recapture for credit losses 60,095 59,944 Non-interest income 20 2,000 Not interest income after recapture for credit losses 2,041 1,809 Card income 2,041 1,809 Card income 2,078 <td< td=""><td>Interest and dividend income:</td><td></td><td></td><td></td><td></td></td<> | Interest and dividend income: | | | | |
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| Deposits | Investments in FHLB and FRB stock | | 457 | | 539 |
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| 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 | <u> •</u> | | | | |
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| 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 | Income before income tax expense | | 22,420 | | 18,106 |
| 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 | Income tax expense | | 5,608 | | 5,104 |
| Diluted earnings per common share\$ 136.27\$ 102.71Basic weighted-average shares outstanding122,248122,772 | Net income | \$ | 16,812 | \$ | 13,002 |
| Diluted earnings per common share\$ 136.27\$ 102.71Basic weighted-average shares outstanding122,248122,772 | Basic earnings per common share | \$ | 137.52 | _\$ | 105.90 |
| Basic weighted-average shares outstanding 122,248 122,772 | Diluted earnings per common share | | 136.27 | | 102.71 |
| Diluted weighted-average shares outstanding 123,373 126,592 | | | | | |
| | 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)

| | Mar. 31, 2025 | Dec. 31, 2024 |
|---|----------------------|----------------------|
| Assets | | |
| Cash and due from banks: Non-interest-bearing balances Interest-bearing balances | \$ 75,590 981,757 | \$ 72,319 976,039 |
| Total cash and due from banks | 1,057,347 | 1,048,358 |
| Securities available-for-sale, at fair value Securities held-to-maturity, at amortized cost | 212,272 | 281,219 |
| net allowance for credit losses Loans held for sale | 3,591,500 97 | 3,687,417 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 | <u>\$ 11,487,118</u> | \$ 11,690,069 |
| 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 | <u>\$ 11,487,118</u> | \$ 11,690,069 |