



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 SECOND QUARTER RESULTS

LONG BEACH, Calif. – July 22, 2025 – Farmers & Merchants Bank of Long Beach (“F&M” or the “Bank”) (OTCQX: FMBL) today reported financial results for the second quarter ended June 30, 2025.

"As we enter the second half of 2025, all of our stakeholders—customers, shareholders, F&M team members, and community partners—should find great comfort in the Bank’s continued strength and stability,” said W. Henry Walker, Chief Executive Officer. "Our solid deposit base, conservative loan portfolio, and balance sheet integrity remain cornerstones of our long-term strategy. All of our capital ratios not only meet, but far exceed regulatory requirements, underscoring the disciplined, resilient foundation we have built over time."

Daniel Walker, F&M’s Executive Chairman, added, "Loan demand across the communities we serve remains stable, a testament to the trust we have earned and the value we continue to provide. By offering competitive rates and maintaining a prudent approach to lending, our team is actively supporting local growth, while preserving F&M’s financial health. Combined with our experienced, talented management team, we are well-positioned to reach our next growth plateau and to continue delivering results that benefit all those we serve."

Operating Results

For the second quarter of 2025, total interest and dividend income amounted to \$105.1 million, compared with \$108.7 million in the second quarter of 2024. Total interest and dividend income for the six months ended June 30, 2025 decreased to \$209.8 million from \$217.3 million reported for the six months ended June 30, 2024.

Total interest expense for the second quarter of 2025 was \$38.2 million, compared with \$51.6 million a year ago. Interest expense for the six months ended June 30, 2025 was \$78.7 million, compared to \$102.8 million reported for the same period in 2024.

Net interest income before provision for credit losses for the second quarter of 2025 rose to \$66.9 million, from \$57.1 million for the second quarter of 2024. Net interest income before provision for credit losses for the six months ended June 30, 2025 was \$131.0 million, compared with \$114.5 million for the six months ended June 30, 2024.

F&M’s net interest margin improved to 2.42% for the second quarter of 2025, from 1.92% for the second quarter of 2024. Net interest margin was 2.35% for the six months ended June 30, 2025, compared with 1.92% for the same period in 2024.

For the second quarter of 2025, the Bank recorded a \$3.3 million provision for credit losses, compared with a \$1.0 million recapture of provision for credit losses in the second quarter of 2024. For the six months ended June 30, 2025, the Bank recorded a \$1.3 million provision for credit losses, compared with a \$3.5 million recapture of provision for credit losses for the six months ended June 30, 2024.

Total non-interest income was \$4.5 million for the second quarter of 2025, compared with non-interest income of \$10.6 million for the same period last year. For the six months ended June 30, 2025, total non-interest income was \$8.8 million, compared with \$18.8 million for the six months ended June 30, 2024.

Total non-interest expense for the second quarter of 2025 was \$49.4 million, compared with \$49.8 million for the second quarter of 2024. Non-interest expense for the six months ended June 30, 2025 was \$97.4 million, compared with \$99.8 million for the six months ended June 30, 2024.

Second quarter 2025 net income increased to \$13.9 million, or \$112.71 per diluted share, from \$13.5 million, or \$107.86 per diluted share for the second quarter of 2024. Net income for the six months ended June 30, 2025 was \$30.7 million, or \$249.01 per diluted share, compared with \$26.5 million, or \$210.54 per diluted share, for the six months ended June 30, 2024.

Balance Sheet

Gross loans were \$6.47 billion as of June 30, 2025 and December 31, 2024. The Bank's allowance for loan losses totaled \$97.5 million, or 1.51 % of loans held-for-investment at June 30, 2025, compared with \$96.6 million, or 1.50% of loans held-for investment at December 31, 2024.

The Bank's total deposits at June 30, 2025 amounted to \$8.69 billion, compared with \$8.77 billion at December 31, 2024. Noninterest-bearing deposits represented 34.2% of total deposits at June 30, 2025, and 33.2% at December 31, 2024.

Securities sold under repurchase agreements decreased to \$956.3 million at June 30, 2025, from \$991.9 million at December 31, 2024. Borrowings were \$300.0 million at June 30, 2025, a decrease of \$200.0 million from \$500.0 million at December 31, 2024.

Total assets at June 30, 2025 were \$11.40 billion, compared with \$11.69 billion at December 31, 2024. Total stockholders' equity was \$1.39 billion at June 30, 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 12.18%, as of June 30, 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 six months ended June 30, 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 share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest and dividend income:				
Loans	\$ 76,008	\$ 74,025	\$ 150,950	\$ 149,510
Investment securities	17,362	19,703	36,611	40,074
Interest-bearing deposits in financial institutions	11,278	14,475	21,293	26,716
Investments in FHLB and FRB stock	448	460	905	999
Total interest and dividend income	105,096	108,663	209,759	217,299
Interest expense:				
Deposits	26,995	29,319	54,344	56,778
Securities sold under repurchase agreements	8,221	9,483	16,603	19,093
Borrowings	2,963	12,767	7,800	26,890
Total interest expense	38,179	51,569	78,747	102,761
Net interest income before provision for credit losses	66,917	57,094	131,012	114,538
Provision for credit losses				
Loans	2,100	-	2,100	(1,500)
Investment securities	-	-	-	-
Reserve for unfunded loan commitments	1,200	(1,000)	(800)	(2,000)
Total provision for credit losses	3,300	(1,000)	1,300	(3,500)
Net interest income after provision for credit losses	63,617	58,094	129,712	118,038
Non-interest income:				
Service charges on deposit accounts	1,996	1,877	4,037	3,686
Card income	292	214	496	439
Other income	2,194	8,473	4,272	14,682
Total non-interest income	4,482	10,564	8,805	18,807
Non-interest expense:				
Salaries and employee benefits	31,424	30,974	62,295	61,751
FDIC and other insurance expense	1,941	2,637	4,019	5,511
Occupancy expense	3,986	3,909	7,948	7,799
Software and equipment expense	4,447	4,468	8,891	8,731
Other real estate owned expense	5	212	13	249
Professional and legal services	2,414	3,102	4,504	5,597
Marketing expense	1,682	919	2,901	1,957
Other expense	3,547	3,533	6,873	8,240
Total non-interest expense	49,446	49,754	97,444	99,835
Income before income tax expense	18,653	18,904	41,073	37,010
Income tax expense	4,773	5,370	10,381	10,474
Net income	\$ 13,880	\$ 13,534	\$ 30,692	\$ 26,536
Basic earnings per common share	\$ 113.74	\$ 111.12	\$ 251.29	\$ 217.01
Diluted earnings per common share	\$ 112.71	\$ 107.86	\$ 249.01	\$ 210.54
Basic weighted-average shares outstanding	122,030	121,792	122,138	122,282
Diluted weighted-average shares outstanding	123,145	125,481	123,257	126,038

FARMERS & MERCHANTS BANK OF LONG BEACH
Balance Sheets (Unaudited)
(In thousands, except share and per share data)

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>
Assets		
Cash and due from banks:		
Non-interest-bearing balances	\$ 82,499	\$ 72,319
Interest-bearing balances	1,137,443	976,039
Total cash and due from banks	1,219,942	1,048,358
Securities available-for-sale, at fair value	61,725	281,219
Securities held-to-maturity, at amortized cost net of allowance for credit losses	3,446,813	3,687,417
Loans held for sale	626	1,132
Gross loans	6,467,871	6,467,991
Unamortized deferred loan fees, net	(9,498)	(8,811)
Allowance for credit losses on loans	(97,528)	(96,585)
Loans, net	6,360,845	6,362,595
Investments in FHLB and FRB stock, at cost	22,284	22,472
Bank premises and equipment, net	120,005	118,474
Deferred tax assets, net	43,446	42,427
Other assets	119,853	125,975
Total assets	<u>\$ 11,395,539</u>	<u>\$ 11,690,069</u>
 Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Non-interest-bearing deposits	\$ 2,971,470	\$ 2,908,598
Interest-bearing deposits	1,744,930	2,047,524
Savings and money market savings	2,929,334	2,784,678
Time deposits	1,042,313	1,028,793
Total deposits	8,688,047	8,769,593
Securities sold under repurchase agreements	956,310	991,869
Borrowings	300,000	500,000
Other liabilities	62,830	59,724
Total liabilities	<u>10,007,187</u>	<u>10,321,186</u>
 Stockholders' Equity:		
Common Stock, par value \$20; authorized 250,000 shares; 122,126 and 122,728 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	2,443	2,455
Additional paid-in capital	164,398	169,136
Retained earnings	1,223,081	1,199,221
Accumulated other comprehensive loss	(1,570)	(1,929)
Total stockholders' equity	<u>1,388,352</u>	<u>1,368,883</u>
Total liabilities and stockholders' equity	<u>\$ 11,395,539</u>	<u>\$ 11,690,069</u>