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## **FARMERS & MERCHANTS BANK OF LONG BEACH REPORTS 2025 THIRD QUARTER and YEAR-TO-DATE RESULTS**

***Farmers & Merchants Bank of Long Beach seeks to keep all shareholders directly informed about the Bank's activities. To do so, we must be able to reach you. Since the default setting by most brokerages is "Objecting" for such direct communication, please check with your representative to be certain your records reflect that you are a "Non-Objecting Beneficial Owner," also known as "NOBO." This will assure that you receive communications directly from F&M in a timely manner. Please contact us if you have questions.***

**LONG BEACH, Calif. – October 21, 2025** – Farmers & Merchants Bank of Long Beach ("F&M" or the "Bank") (OTCQX: FMBL) today reported financial results for the third quarter and nine-months ended September 30, 2025. F&M also announced that its Board of Directors has authorized a new \$10 million stock repurchase program.

"F&M's third-quarter performance underscores the strength and stability that define our brand," said W. Henry Walker, Chief Executive Officer. "We continue to benefit from a loyal and stable deposit base, along with a conservative approach to lending that has served our clients, shareholders, and communities well through a range of economic cycles. The consistency of our results reflects a culture focused on sound banking fundamentals and long-term relationships. We reported measurable improvements in net interest margin and net income for the third quarter, with all of F&M's capital ratios well in excess of regulatory requirements for a 'well-capitalized' financial institution. Subsequent to the close of the third quarter, we were gratified to have closed on a \$200 million equity investment in the Bank by a large financial services company that purchased 16,261 shares of non-voting Series A Preferred Stock, which is the economic equivalent of the Bank's common stock."

Daniel Walker, F&M's Executive Chairman, added, "The operating environment for regional banks is beginning to show some signs of balance, as inflation trends ease and the pace of rate cuts is coming into clearer focus. While we remain cautious about the timing and shape of economic normalization and how it will impact F&M, the recent equity investment in the Bank further enhances our already strong balance sheet, and we are optimistic about the long-term opportunities for us to further grow our franchise and deliver sustainable value for all of our stakeholders. Our commitment to prudent growth, operational excellence, and enhanced shareholder value remains unwavering."

### **Operating Results**

For the third quarter of 2025, total interest and dividend income amounted to \$109.1 million, compared with \$113.6 million in the third quarter of 2024. Total interest and dividend income for the nine months ended

September 30, 2025 amounted to \$318.9 million, compared with \$330.9 million reported for the nine months ended September 30, 2024.

Total interest expense for the third quarter of 2025 was \$39.9 million, compared with \$53.2 million a year ago. Interest expense for the nine months ended September 30, 2025 was \$118.6 million, compared to \$156.0 million reported for the same period in 2024.

Net interest income before provision for credit losses for the third quarter of 2025 rose to \$69.3 million, from \$60.4 million for the third quarter of 2024. Net interest income before provision for credit losses for the nine months ended September 30, 2025 was \$200.3 million, compared with \$174.9 million for the nine months ended September 30, 2024.

F&M's net interest margin improved to 2.47% for the third quarter of 2025, from 2.02% for the third quarter of 2024. Net interest margin was 2.39% for the nine months ended September 30, 2025, compared with 1.95% for the same period in 2024.

For the third quarter of 2025, the Bank recorded a \$1.9 million recapture of provision for credit losses, compared with a \$3.7 million recapture of provision for credit losses in the third quarter of 2024. For the nine months ended September 30, 2025, the Bank recorded a \$600 thousand recapture of provision for credit losses, compared with a \$7.2 million recapture of provision for credit losses for the nine months ended September 30, 2024.

Total non-interest income was \$4.4 million for the third quarter of 2025, compared with non-interest income of \$4.5 million for the same period last year. For the nine months ended September 30, 2025, total non-interest income was \$13.2 million, compared with \$23.3 million for the nine months ended September 30, 2024.

Total non-interest expense for the third quarter of 2025 was \$51.3 million, compared with \$48.6 million for the third quarter of 2024. Non-interest expense for the nine months ended September 30, 2025, was \$148.8 million, compared with \$148.4 million for the nine months ended September 30, 2024.

Third quarter 2025 net income increased to \$18.1 million, or \$147.32 per diluted share, from \$14.3 million, or \$115.17 per diluted share, for the third quarter of 2024. Net income for the nine months ended September 30, 2025 was \$48.8 million, or \$396.30 per diluted share, compared with \$40.9 million, or \$325.64 per diluted share, for the nine months ended September 30, 2024.

## **Balance Sheet**

Gross loans were \$6.24 billion as of September 30, 2025, compared with \$6.47 billion as of December 31, 2024. The Bank's allowance for loan losses totaled \$89.9 million, or 1.44 % of loans held-for-investment at September 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 September 30, 2025 amounted to \$8.87 billion, compared with \$8.77 billion at December 31, 2024. Noninterest-bearing deposits represented 33.9% of total deposits at September 30, 2025, and 33.2% at December 31, 2024.

Securities sold under repurchase agreements decreased to \$977.7 million at September 30, 2025, from \$991.9 million at December 31, 2024. Borrowings were \$300.0 million at September 30, 2025, a decrease of \$200.0 million from \$500.0 million at December 31, 2024.

Total assets at September 30, 2025 were \$11.62 billion, compared with \$11.69 billion at December 31, 2024. Total stockholders' equity was \$1.40 billion at September 30, 2025, up from \$1.37 billion at December 31, 2024.

## **Capital**

The Bank's total risk-based capital ratio was 19.65%; its tier 1 risk-based capital ratio was 18.40%, with a common equity tier 1 capital ratio of 18.40%, and a tier 1 leverage ratio of 12.15%, as of September 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**

Reflecting confidence in the Bank's long-term outlook, the Board of Directors has authorized a new stock repurchase program, authorizing the Bank to repurchase up to \$10 million of its common stock from time to time through May 9, 2026.

Under the new stock repurchase program, the Bank may purchase shares of its common stock from time to time 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 repurchases at any time and anticipates that any such repurchases will be funded from existing cash and cash equivalents or future cash flow. The new stock repurchase program does not obligate the Bank to repurchase any specific number of shares in any particular period.

During the nine months ended September 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 its previous \$10 million stock repurchase plan, which has expired.

## **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](http://www.fmb.com).

## **Forward-Looking Statements**

In addition to the historical information contained herein, this press release may contain forward-looking statements about Farmers & Merchants Bank of Long Beach, including, but not limited to, opportunities to further grow the Bank's franchise. Readers should understand that such forward-looking statements are neither promises nor guarantees and are subject to various risks and uncertainties, many of which are beyond the Bank's control. Such risks and uncertainties could cause actual results and actions to differ materially from those contemplated. Factors that could cause or contribute to such differences include, but are not limited to, credit, market, operational, liquidity and interest rate risks associated with the Bank's business and operations, changes in interest rates, changes in general business and economic conditions, changes in banking laws and regulations, loan losses, increases in expenses, changes in rates charged on loans and earned on investments, accounting estimates and judgments, changes in rates on deposits, competition effects, the amount of non-interest income earned, adverse consequences caused by the coronavirus pandemic, as well as other factors. Given these factors, readers should not place undue reliance on any forward-looking statement.

(Financial Tables Follow)

## FARMERS & MERCHANTS BANK OF LONG BEACH

### Income Statements (Unaudited)

(In thousands, except share and per share data)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Interest and dividend income:</b>				
Loans	\$ 76,868	\$ 75,743	\$ 227,818	\$ 225,253
Investment securities	15,661	20,545	52,272	60,619
Interest-bearing deposits in financial institutions	16,150	16,857	37,443	43,573
Investments in FHLB and FRB stock	455	456	1,360	1,455
Total interest and dividend income	<u>109,134</u>	<u>113,601</u>	<u>318,893</u>	<u>330,900</u>
<b>Interest expense:</b>				
Deposits	28,631	31,789	82,975	88,567
Securities sold under repurchase agreements	8,267	9,783	24,870	28,876
Borrowings	2,982	11,677	10,782	38,567
Total interest expense	<u>39,880</u>	<u>53,249</u>	<u>118,627</u>	<u>156,010</u>
Net interest income before provision for credit losses	69,254	60,352	200,266	174,890
<b>Provision for credit losses</b>				
Loans	(3,600)	(1,600)	(1,500)	(3,100)
Investment securities	-	-	-	-
Reserve for unfunded loan commitments	1,700	(2,100)	900	(4,100)
Total provision for credit losses	<u>(1,900)</u>	<u>(3,700)</u>	<u>(600)</u>	<u>(7,200)</u>
Net interest income after provision for credit losses	<u>71,154</u>	<u>64,052</u>	<u>200,866</u>	<u>182,090</u>
<b>Non-interest income:</b>				
Service charges on deposit accounts	2,024	1,884	6,061	5,570
Card income	239	226	735	665
Other income	2,156	2,432	6,428	17,114
Total non-interest income	<u>4,419</u>	<u>4,542</u>	<u>13,224</u>	<u>23,349</u>
<b>Non-interest expense:</b>				
Salaries and employee benefits	32,460	29,677	94,755	91,428
FDIC and other insurance expense	2,066	2,506	6,085	8,017
Occupancy expense	4,032	4,057	11,980	11,856
Software and equipment expense	4,453	4,456	13,344	13,187
Other real estate owned expense	-	83	13	332
Professional and legal services	3,362	3,198	7,866	8,795
Marketing expense	1,418	900	4,319	2,857
Other expense	3,556	3,713	10,429	11,953
Total non-interest expense	<u>51,347</u>	<u>48,590</u>	<u>148,791</u>	<u>148,425</u>
Income before income tax expense	24,226	20,004	65,299	57,014
<b>Income tax expense</b>	<u>6,095</u>	<u>5,658</u>	<u>16,476</u>	<u>16,132</u>
<b>Net income</b>	<u><b>\$ 18,131</b></u>	<u><b>\$ 14,346</b></u>	<u><b>\$ 48,823</b></u>	<u><b>\$ 40,882</b></u>
Basic earnings per common share	<u>\$ 148.46</u>	<u>\$ 115.98</u>	<u>\$ 399.75</u>	<u>\$ 333.03</u>
Diluted earnings per common share	<u>\$ 147.32</u>	<u>\$ 115.17</u>	<u>\$ 396.30</u>	<u>\$ 325.64</u>
Basic weighted-average shares outstanding	<u>122,126</u>	<u>123,696</u>	<u>122,134</u>	<u>122,757</u>
Diluted weighted-average shares outstanding	<u>123,071</u>	<u>124,563</u>	<u>123,198</u>	<u>125,545</u>

# FARMERS & MERCHANTS BANK OF LONG BEACH

## Balance Sheets (Unaudited)

(In thousands, except share and per share data)

	<u>Sep. 30, 2025</u>	<u>Dec. 31, 2024</u>
<b>Assets</b>		
Cash and due from banks:		
Non-interest-bearing balances	\$ 69,014	\$ 72,319
Interest-bearing balances	1,606,878	976,039
Total cash and due from banks	1,675,892	1,048,358
Securities available-for-sale, at fair value	145,325	281,219
Securities held-to-maturity, at amortized cost net of allowance for credit losses	3,357,368	3,687,417
Loans held for sale	590	1,132
Gross loans	6,243,380	6,467,991
Unamortized deferred loan fees, net	(9,768)	(8,811)
Allowance for credit losses on loans	(89,875)	(96,585)
Loans, net	6,143,737	6,362,595
Investments in FHLB and FRB stock, at cost	22,255	22,472
Bank premises and equipment, net	121,130	118,474
Deferred tax assets, net	42,510	42,427
Other assets	112,688	125,975
<b>Total assets</b>	<b><u>\$ 11,621,495</u></b>	<b><u>\$ 11,690,069</u></b>
 <b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Deposits:		
Non-interest-bearing deposits	\$ 3,006,696	\$ 2,908,598
Interest-bearing deposits	1,777,206	2,047,524
Savings and money market savings	3,064,817	2,784,678
Time deposits	1,023,622	1,028,793
Total deposits	8,872,341	8,769,593
Securities sold under repurchase agreements	977,737	991,869
Borrowings	300,000	500,000
Other liabilities	67,902	59,724
Total liabilities	<b><u>10,217,980</u></b>	<b><u>10,321,186</u></b>
 <b>Stockholders' Equity:</b>		
Common Stock, par value \$20; authorized 250,000 shares; 122,126 and 122,728 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	2,443	2,455
Additional paid-in capital	164,637	169,136
Retained earnings	1,237,792	1,199,221
Accumulated other comprehensive loss	(1,357)	(1,929)
Total stockholders' equity	<b><u>1,403,515</u></b>	<b><u>1,368,883</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 11,621,495</u></b>	<b><u>\$ 11,690,069</u></b>