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## **FARMERS & MERCHANTS BANK OF LONG BEACH REPORTS 2025 FOURTH QUARTER and FULL YEAR RESULTS**

### **Note to our Stockholders:**

*We value our relationship with our stockholders and want to keep you updated about what's happening at the Bank. To do this, we need to be able to contact you directly. If your F&M shares are held through your brokerage, your account may be designated as an "Objecting Beneficial Owner," (or "OBO"). Please ask your broker to designate you as a "Non-Objecting Beneficial Owner," (or "NOBO"). This way, you'll receive our updates directly from F&M in a timely manner. If you have questions, call us at 562-499-4829 or email [Kevin.Tiber@FMB.com](mailto:Kevin.Tiber@FMB.com).*

**LONG BEACH, Calif. – January 26, 2026** – Farmers & Merchants Bank of Long Beach ("F&M" or the "Bank") (OTCQX: FMBL) today reported financial results for the fourth quarter and full year ended December 31, 2025.

"F&M Bank concluded 2025 with a strong fourth quarter, reflecting positive momentum throughout the year, outstanding execution on our initiatives, and hard work by our dedicated team," said W. Henry Walker, Chief Executive Officer. "We ended the year with a stronger and more flexible balance sheet, which positioned the Bank for growth and continued the momentum for improving profitability. Our management team is strong, seasoned and engaged in our strategic process.

"Capping off the year was the closing of a \$200 million equity investment in the Bank in the fourth quarter by a large financial services company that plans to offer its customers a multitude of F&M credit products. The processes are being put into place to sell our products to a new, large and captive customer base, expected to start in late 2026. This represents an outstanding opportunity for F&M that is expected to diversify and add a significant number of quality loans to our portfolio and position us for accelerated, profitable growth."

Daniel Walker, F&M's Executive Chairman, added, "The strong foundation and culture built over the past 119 years continue to serve our clients and stockholders well as we enter 2026. F&M's legacy of financial strength, values and prudent fiscal management, among many other attributes, positions us well in the marketplace for sustained long-term growth and for meeting our collective objective of delivering enhanced stockholder value."

### **Operating Results**

For the fourth quarter of 2025, total interest and dividend income increased to \$112.8 million, from \$108.9 million in the fourth quarter of 2024. Total interest and dividend income for the year ended December 31, 2025, amounted to \$431.7 million, compared with \$439.8 million reported for the year ended December 31, 2024.

Total interest expense for the 2025 fourth quarter was \$38.5 million, versus \$46.5 million in the 2024 fourth quarter. Interest expense for the year ended December 31, 2025, was \$157.1 million, compared with \$202.6 million in 2024.

Net interest income before provision for credit losses for the fourth quarter of 2025 increased to \$74.4 million, from \$62.3 million for the fourth quarter of 2024. Net interest income before provision for credit losses for the year ended December 31, 2025, rose to \$274.6 million, from \$237.2 million for the prior year.

F&M's net interest margin improved to 2.58% for the fourth quarter of 2025, from 2.14% for the fourth quarter of 2024. Net interest margin was 2.44% for the year ended December 31, 2025, compared with 2.00% in 2024.

For the fourth quarter of 2025, the Bank recorded a \$500,000 recapture of provision for credit losses, compared with a \$600,000 provision for credit losses recorded in the 2024 fourth quarter. For the year ended December 31, 2025, the Bank recorded a \$1.1 million recapture of provision for credit losses, compared with a \$6.6 million recapture of provision for credit losses for the year ended December 31, 2024.

Total non-interest income was \$4.2 million for the fourth quarter of 2025, compared with a negative \$3.8 million for the same period last year, primarily due to a repositioning of the Bank's investment securities by selling low-yielding fixed-rate securities and deploying the proceeds into higher-earning securities, resulting in a one-time impact on earnings. For the year ended December 31, 2025, total non-interest income was \$17.5 million, compared with \$19.6 million for year ended December 31, 2024.

Total non-interest expense for the 2025 fourth quarter was \$51.9 million, compared with \$51.5 million for the 2024 fourth quarter. Non-interest expense for the year ended December 31, 2025, was \$200.7 million, compared with \$200.0 million a year ago.

Fourth quarter 2025 net income increased to \$19.5 million, or \$141.90 per diluted share, from \$4.0 million, or \$32.18 per diluted share, for the fourth quarter of 2024. The Bank's full year 2025 net income advanced to \$68.3 million, or \$537.62 per diluted share, from \$44.9 million, or \$358.63 per diluted share, last year.

## **Balance Sheet**

Gross loans were \$6.08 billion as of December 31, 2025, compared with \$6.47 billion as of December 31, 2024. The Bank's allowance for loan losses totaled \$84.0 million, or 1.39% of loans held-for-investment at December 31, 2025, compared with \$96.6 million, or 1.50% of loans held-for investment at December 31, 2024.

F&M's total deposits at December 31, 2025 amounted to \$8.95 billion, compared with \$8.77 billion at December 31, 2024. Noninterest-bearing deposits represented 34.6% of total deposits at the end of 2025, and 33.2% at December 31, 2024.

Securities sold under repurchase agreements decreased to \$883.2 million at December 31, 2025, from \$991.9 million at December 31, 2024. Borrowings were \$300.0 million at December 31, 2025, a decrease of \$200.0 million from \$500.0 million at December 31, 2024.

Total assets at December 31, 2025, were \$11.80 billion, compared with \$11.69 billion at December 31, 2024. Total stockholders' equity was \$1.61 billion at the close of 2025, up from \$1.37 billion a year ago.

## **Capital**

Capital ratios are the foundation of safety in all banks, and F&M continues to exceed most national and regional banks in this area, as well as exceeding regulatory capital requirements to meet the definition of a "well-capitalized" financial institution. As of December 31, 2025, the Bank's total risk-based capital ratio was 22.65%; tier 1 risk-based capital ratio was 21.40 %; common equity tier 1 capital ratio was 18.84%; and tier 1 leverage ratio was 13.49%. The minimum capital adequacy ratios for a "well-capitalized" bank are 10.00%, 8.00%, 6.50% and 5.00%, respectively.

## **Stock Repurchase Program**

During the fourth quarter of 2025, the Bank repurchased 324 shares of its common stock for \$2.6 million on the open market at an average repurchase price of \$8,147.17 per share, under the current \$10 million stock repurchase plan that was announced in October 2025 and expires May 9, 2026. Previously during the year, 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. During the twelve months ended December 31, 2025, the Bank repurchased 1,028 shares on the open market at an average repurchase price of \$6,445.21.

Under the stock repurchase 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 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.

## **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, the ability to diversify and add a significant number of quality loans to the Bank's portfolio, and positioning for accelerated, profitable growth. 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 December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Interest and dividend income:</b>				
Loans	\$ 76,269	\$ 75,021	\$ 304,087	\$ 300,274
Investment securities	19,303	19,034	71,575	79,653
Interest-bearing deposits in financial institutions	16,820	14,341	54,263	57,914
Investments in FHLB and FRB stock	456	459	1,816	1,914
Total interest and dividend income	<u>112,848</u>	<u>108,855</u>	<u>431,741</u>	<u>439,755</u>
<b>Interest expense:</b>				
Deposits	27,918	30,439	110,893	119,006
Securities sold under repurchase agreements	7,580	8,735	32,450	37,611
Borrowings	2,983	7,375	13,765	45,942
Total interest expense	<u>38,481</u>	<u>46,549</u>	<u>157,108</u>	<u>202,559</u>
Net interest income before provision for credit losses	74,367	62,306	274,633	237,196
<b>Provision for credit losses</b>				
Loans	(3,000)	600	(4,500)	(2,500)
Investment securities	-	-	-	-
Reserve for unfunded loan commitments	2,500	-	3,400	(4,100)
Total provision for credit losses	<u>(500)</u>	<u>600</u>	<u>(1,100)</u>	<u>(6,600)</u>
Net interest income after provision for credit losses	<u>74,867</u>	<u>61,706</u>	<u>275,733</u>	<u>243,796</u>
<b>Non-interest income:</b>				
Service charges on deposit accounts	1,995	1,971	8,056	7,541
Other real estate owned income	-	1,318	-	1,318
Loss on sale of securities	-	(10,141)	-	(10,141)
Card income	270	187	1,005	852
Other income	1,963	2,886	8,391	20,000
Total non-interest income	<u>4,228</u>	<u>(3,779)</u>	<u>17,452</u>	<u>19,570</u>
<b>Non-interest expense:</b>				
Salaries and employee benefits	33,759	31,878	128,514	123,306
FDIC and other insurance expense	1,917	2,093	8,002	10,110
Occupancy expense	4,420	3,979	16,400	15,835
Software and equipment expense	5,026	4,475	18,370	17,662
Other real estate owned expense	-	38	13	370
Professional and legal services	2,030	1,800	9,896	10,595
Marketing expense	1,132	1,871	5,451	4,728
Other expense	3,597	5,411	14,026	17,364
Total non-interest expense	<u>51,881</u>	<u>51,545</u>	<u>200,672</u>	<u>199,970</u>
Income before income tax expense	27,214	6,382	92,513	63,396
<b>Income tax expense</b>	<u>7,688</u>	<u>2,386</u>	<u>24,164</u>	<u>18,518</u>
<b>Net income</b>	<u><b>\$ 19,526</b></u>	<u><b>\$ 3,996</b></u>	<u><b>\$ 68,349</b></u>	<u><b>\$ 44,878</b></u>
Basic earnings per common share	<u>\$ 143.21</u>	<u>\$ 32.46</u>	<u>\$ 542.46</u>	<u>\$ 365.52</u>
Diluted earnings per common share	<u>\$ 141.90</u>	<u>\$ 32.18</u>	<u>\$ 537.62</u>	<u>\$ 358.63</u>
Basic weighted-average shares outstanding	<u>122,064</u>	<u>123,121</u>	<u>122,116</u>	<u>122,778</u>
Diluted weighted-average shares outstanding	<u>123,196</u>	<u>124,178</u>	<u>123,215</u>	<u>125,138</u>

# FARMERS & MERCHANTS BANK OF LONG BEACH

## Balance Sheets (Unaudited)

(In thousands, except share and per share data)

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
<b>Assets</b>		
Cash and due from banks:		
Non-interest-bearing balances	\$ 65,062	\$ 72,319
Interest-bearing balances	1,344,503	976,039
Total cash and due from banks	1,409,565	1,048,358
Securities available-for-sale, at fair value	839,350	281,219
Securities held-to-maturity, at amortized cost net of allowance for credit losses	3,266,193	3,687,417
Loans held for sale	1,447	1,132
Gross loans	6,076,581	6,467,991
Unamortized deferred loan fees, net	(10,479)	(8,811)
Allowance for credit losses on loans	(84,020)	(96,585)
Loans, net	5,982,082	6,362,595
Investments in FHLB and FRB stock, at cost	22,262	22,472
Bank premises and equipment, net	121,894	118,474
Deferred tax assets, net	39,839	42,427
Other assets	114,428	125,975
<b>Total assets</b>	<b><u>\$ 11,797,060</u></b>	<b><u>\$ 11,690,069</u></b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Deposits:		
Non-interest-bearing deposits	\$ 3,095,295	\$ 2,908,598
Interest-bearing deposits	1,751,037	2,047,524
Savings and money market savings	3,084,461	2,784,678
Time deposits	1,020,001	1,028,793
Total deposits	8,950,794	8,769,593
Securities sold under repurchase agreements	883,234	991,869
Borrowings	300,000	500,000
Other liabilities	56,745	59,724
Total liabilities	<b><u>10,190,773</u></b>	<b><u>10,321,186</u></b>
<b>Stockholders' Equity:</b>		
Preferred Stock; issued 16,261 shares	190,884	-
Common Stock, par value \$20; authorized 250,000 shares; 121,802 and 122,728 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	2,436	2,455
Additional paid-in capital	162,243	169,136
Retained earnings	1,251,367	1,199,221
Accumulated other comprehensive loss	(643)	(1,929)
Total stockholders' equity	<b><u>1,606,287</u></b>	<b><u>1,368,883</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 11,797,060</u></b>	<b><u>\$ 11,690,069</u></b>