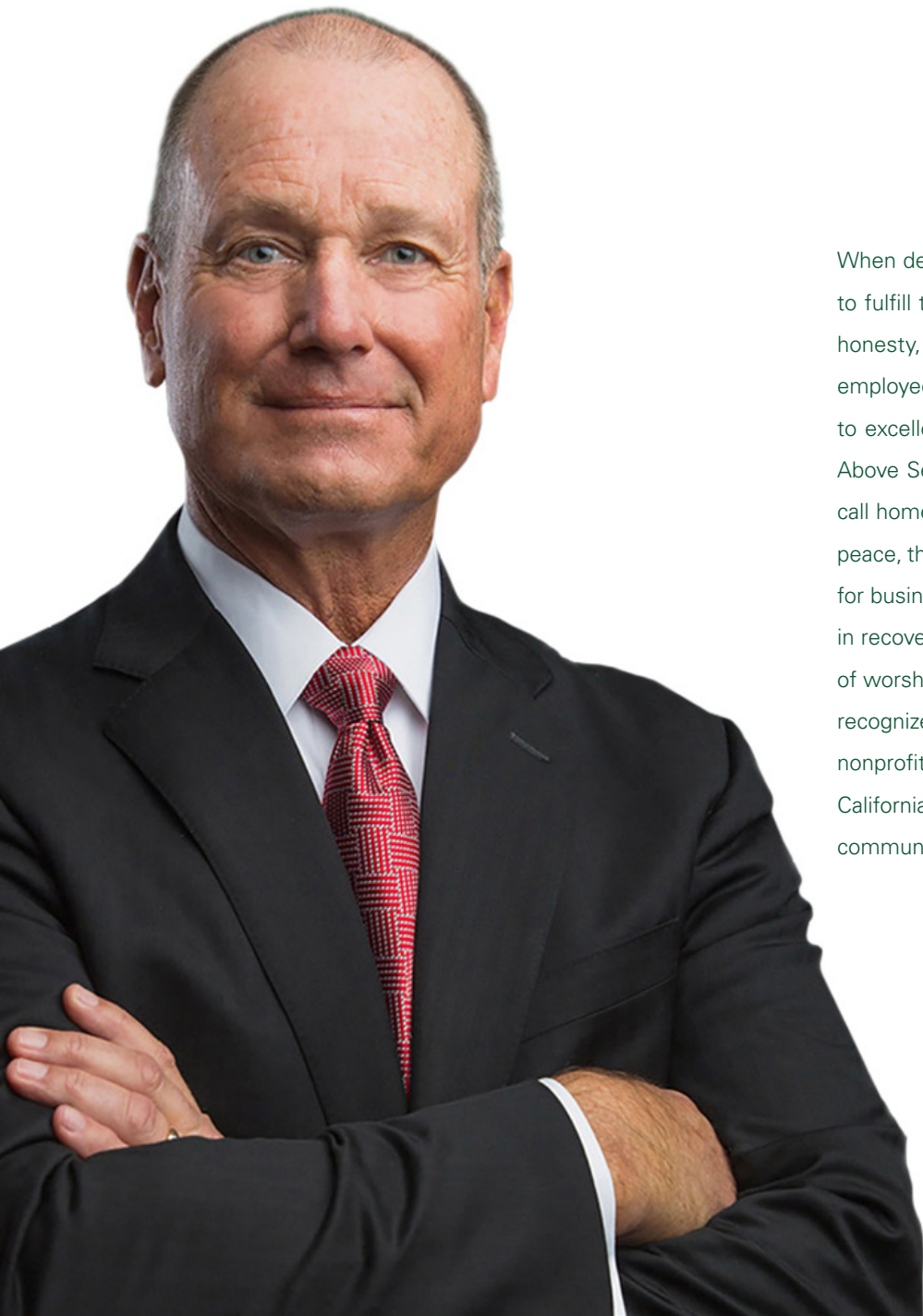




## 2021 Community Impact Report



## MESSAGE FROM THE CEO



When developing the vision and long-term goals for the Bank, I often focus on F&M Bank's mission to fulfill the highest standards of business and personal banking through our essential practices of honesty, integrity, and an unparalleled commitment of excellence to our customers and to our employees. Since my great-grandfather, C.J. Walker, founded F&M Bank 115 years ago, our commitment to excellence and maintaining our values of Honesty, Integrity, the Home, the Church and Service Above Self goes beyond the doors of our branches and extends out into the communities that we call home. Throughout our 115 years, F&M Bank has endured depressions and booms, wartime and peace, the industrial age and the digital age, and now the COVID-19 pandemic, always remaining open for business, prepared to serve our clients, protecting their deposits and assisting our communities in recovery. As California's Strongest, we are dedicated to providing financial support to the houses of worship, schools, and nonprofit organizations that are the cornerstone of our neighborhoods. We recognize that the commitment of time and talent is equally valuable, as our employees engage with nonprofit organizations by serving on their boards and volunteering their time throughout Southern California. Driven by our core value of Service Above Self, 2021 was a year of commitment to our communities that we would like to recognize and celebrate in this Community Impact Report.

*Daniel K. Walker*

F&M Bank Chairman of the Board and CEO



## WHO WE ARE

Founded in Long Beach in 1907 by C.J. Walker, F&M Bank provides white-glove service to clients at 25 branches from San Clemente to Santa Barbara, as well as through Online and Mobile Banking platforms. Founded on the values of Honesty, Integrity, the Home, the Church and Service above Self, these values are lived out today through our fourth generation leadership and through our employees.



**\$11.4B**  
Total Assets



**\$3.0M**  
2021 Community Support



**749**  
Bank Employees



**25**  
Branches

## FOUNDING VALUES

We bank the way we live.

**Honesty**

we always tell the truth.

**Integrity**

the promises we make are ironclad.

**The Home**

our families come first.

**The Church**

our faith gives us strength in good times and bad.

**Service Above Self**

we put the needs of others ahead of our own.

## OUR LEADERSHIP



Daniel K. Walker  
Chief Executive Officer & Chairman



W. Henry Walker  
President



John W.H. Hinrichs  
Chief Financial Officer



Phil Bond  
Chief Credit Officer



Melissa Lanfre  
Chief Operating Officer



Kevin Tiber  
Executive Vice President

## OUR EMPLOYEES

At F&M Bank, our employees are the heartbeat of our company and are truly our greatest asset. F&M Bank provides opportunities for career growth in a supportive environment that is focused on the needs of our clients, our employees and the communities we serve.



749

Bank  
Employees



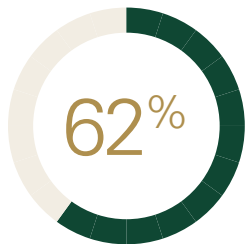
119

Internal  
Promotions

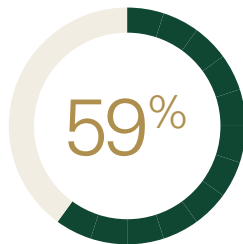


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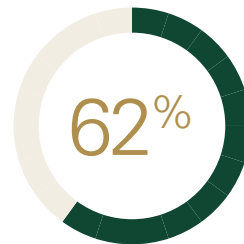
Average Tenure  
in Years



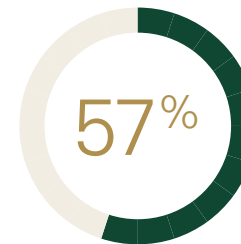
Minority  
Workplace



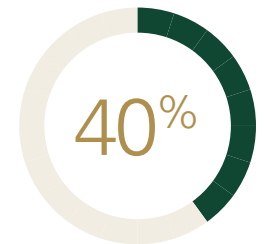
Female  
Workplace



5+ Year  
Tenure



Working  
Remotely



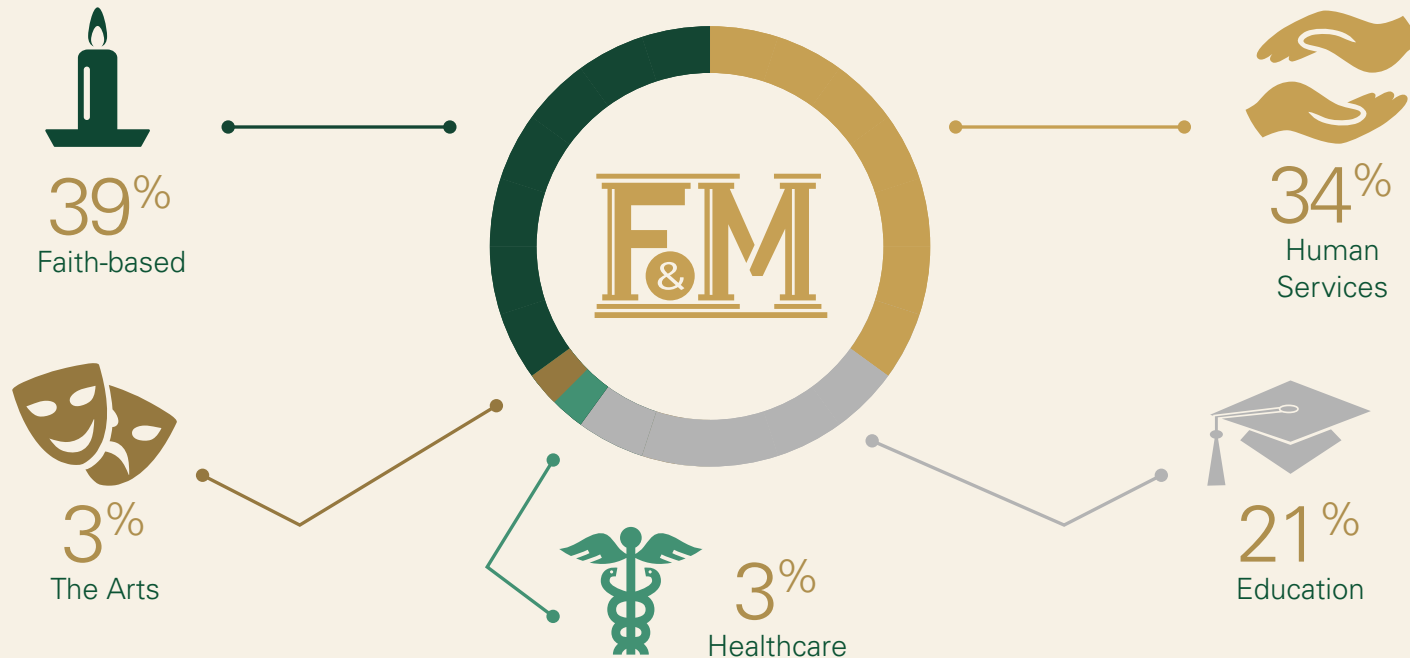
Employee  
Referred Hires

## 2021 BY THE NUMBERS

Southern California's most inconspicuous philanthropist, F&M Bank, has been supporting our local communities for nearly 115 years. Giving back to the communities we are honored to serve has been part of the F&M Bank business model since the beginning. In 2021, F&M Bank provided \$3.0 Million in community support to more than 690 organizations across Southern California. As community organizations continued to rebound from the pandemic during 2021, financial support was crucial to their ongoing operations as they serve those who need it the most.



## OUR AREAS OF IMPACT

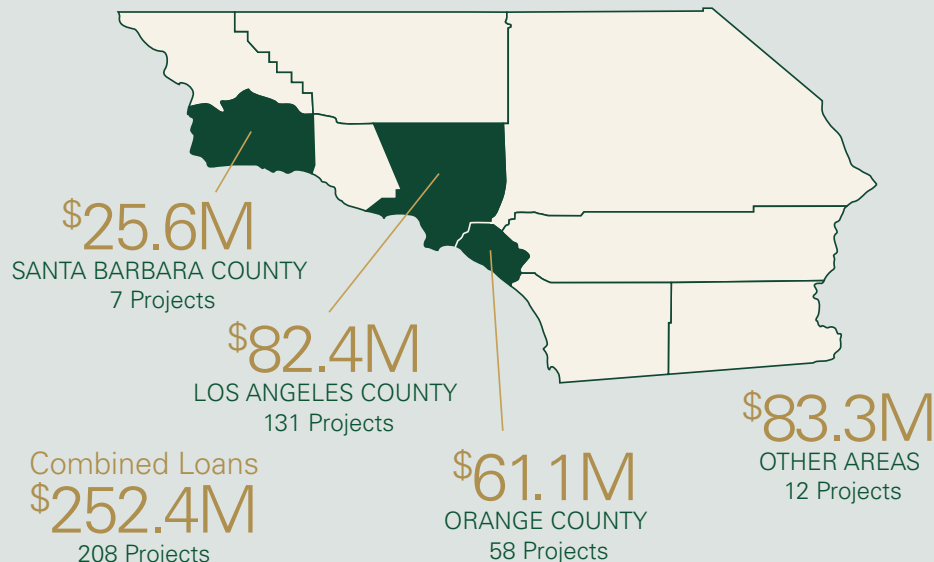


## INVESTING IN OUR COMMUNITIES

F&M Bank provides credit services to all people equally in all of the communities we serve. Access to credit, meeting credit needs, and accessibility to retail banking options in low-and-moderate income (LMI) areas assists in promoting economic revitalization, stability in neighborhoods, and sustainable homeownership.

Beyond service offerings, F&M's Community Reinvestment Act (CRA) team provides assistance to individuals, small businesses, and nonprofit organizations located in our low-to-moderate income service areas. Activities range from direct grant funding and assistance with access to grants, to the provision of community development loans and volunteering at qualifying organizations.

### 2021 COMMUNITY DEVELOPMENT LOANS



## 2021 CRA GRANT RECIPIENTS

Affordable Housing Clearinghouse  
Boys & Girls Club of Long Beach  
California Advancing Pathways for Students  
California Council on Economic Education  
Century Villages at Cabrillo  
Community Family Guidance Center  
CREER Comunidad Y Familia  
Entrepreneur Educational Center  
Food Finders  
Friendship Shelter  
Girls, Inc  
Habitat for Humanity of Orange County  
Haven Services  
Immaculate Heart Community - Casa Esperanza  
Long Beach Center for Economic Inclusion  
Long Beach City College Foundation  
Los Angeles Team Mentoring  
Mary Erickson Community Housing  
MOMS Orange County  
Neighborhood Housing Services of Los Angeles County  
Orange County Asian and Pacific Islander Association  
Orange County Community Housing Corporation  
Power of One Foundation  
Second Chance Orange County  
St. Luke's Episcopal Church  
STEM Advantage  
Su Casa- Ending Domestic Violence  
Templo Calvario Community Development Corporation  
The Beacon House Association of San Pedro  
Thomas House Temporary Shelter  
United Way of Santa Barbara

## PARTNERING FOR A PURPOSE

As a member of the Federal Home Loan Bank San Francisco (FHLB), F&M Bank is able to offer access to funding that is used to produce or preserve affordable housing, facilitate sustainable homeownership, and boost economic development activity, helping to create opportunities for individuals and families, and build or strengthen communities. FHLB's grant programs for housing and economic development help close persistent resource gaps in the communities that we serve. Their various grant programs are offered throughout the year, and is another resource for our nonprofit clients to utilize in support of their mission.

### 2021 AHEAD GRANTS

FHLB's Access to Housing and Economic Assistance for Development (AHEAD) grants support our local nonprofits, agencies, and associations to get innovative jobs programs up and running or continue to provide vital social services in underserved communities.

In 2021, F&M Bank collaborated to obtain \$25,000 in grant funding from the AHEAD Program to support programs at Second Chance Orange County.

Awarded for their job training program, Second Chance Orange County provides job and life skills training to low-income clients recovering from drug and alcohol addictions, many of whom are homeless, formerly incarcerated, and/or living with mental and physical disabilities. This project will target clients in the underserved Southern Orange County area through a partnership with a local homeless shelter to provide job skills training and placement as well as outreach and training for potential employer partners. AHEAD will pay for staff and materials as well as incentives for clients.



### 2021 MATCHING FUNDS

In response to the unprecedented COVID-19 public health emergency and its devastating economic impact, FHLB offered matching funds for nonprofits and small businesses for pandemic relief and for assistance to nonprofits to support communities affected by natural disasters.

These matching funds helped to make F&M's donations to the below organizations go even further in their impact as the nonprofits continue to rebound from the past 2 years.

DISASTER RELIEF Fire related fund



\$5,000

PANDEMIC RELIEF TO SUPPORT COMMUNITIES AFFECTED BY COVID-19



\$5,000



\$5,000



\$3,500



\$2,500



\$2,500



\$1,500





Christine  
Bowman-Walker,  
Co-Chairman

Kevin Tiber  
(not pictured)  
Co-Chairman

Tiffany Roberts  
Foundation  
Director



The Farmers & Merchants Bank Foundation was created in 2012 as a separate 501(c)3 organization to further enhance the legacy of philanthropic community support established by C.J. Walker. An embodiment of F&M Bank's commitment to the communities it is honored to serve, the F&M Bank Foundation has donated over \$2.5 Million since its inception. In 2021 the Foundation distributed \$448,581 to 104 deserving recipients. Education was the area of focus for 2021, with grants given

in the following areas of impact: all levels of schooling (elementary through university), organizations that support education through workforce development and internships, education programs for persons with disabilities, hands-on nature curriculum and after-school support programs.

The mission of the Foundation is to support and enhance the communities it serves by providing philanthropic support to qualifying organizations who provide impactful community benefits in the areas of faith-based initiatives, education, healthcare, human services, and the arts.

## 2021 FMB FOUNDATION GRANT RECIPIENTS

AbilityFirst

Bishop Conaty-Our Lady of Loretto High School

Bishop Montgomery High School

Blessed Sacrament Church

Boys & Girls Club of Long Beach

Boys & Girls Club of South Coast Area

CHOC Reach Out and Read

CSULB 49er Foundation- Hinrichs Scholarship

Discovery Science Center of Orange County

Environmental Nature Center

Ground Education

Higher Ground Youth and Family Services

Illumination Foundation

Long Beach BLAST

Long Beach Community Internship Project

Maple Village Waldorf School

Mariners Church

MIND Research Institute

Mount Alverno High School

Orange County Museum of Art

Pacific Marine Mammal Center

Paraclete High School

Rancho Los Alamitos Historic Site Foundation

Rancho Los Cerritos Historic Site Foundation

Redondo Beach Education Foundation

San Gabriel Mission High School

Serra High School- Gardena

St. Barnabas School

St. Benedict School

St. Catherine's Academy

St. Charles Borromeo Church & School & Center

St. John the Baptist School

The Jessie Rees Foundation

Tichenor Orthopedic Clinic for Children

Verbum Dei High School





In 2021, F&M Bank Foundation launched F&M Gives, a program designed to engage employees in giving back to our crucial nonprofit clients. With a focus on educational organizations this year, employees were divided into Giving Teams that were given the opportunity to vote for the organization of their choice. 36 impactful organizations were chosen by our 36 teams to receive a \$2,000 donation.

## 2021 F&M GIVES RECIPIENTS

Arts Council for Long Beach	Los Angeles Challenge Corp
Autism by the SEA	Lynwood Partners Educational Foundation
Bellflower Kiwanis	Marconi Foundation for Kids
Boys & Girls Club of Fullerton	Muckenthaler Cultural Center
Boys and Girls Clubs of the Los Angeles Harbor	Museum Of Latin American Art
CA Advancing Pathways for Students	Network of Iranian American Professional
California Association For Bilingual Ed	Orange County Academy of Sciences and Arts
Casa Youth Center	Precious Lamb Preschool, Inc.
Children's Creative Project	Serrano Intermediate ASB
CREER Comunidad Y Familia	Speech and Language Development Center
Dayle McIntosh Center for the Disabled	St Helen School
Fullerton Joint Union High School	St Joseph's Catholic School - Santa Ana
Goin Native Therapeutic Gardens	St Linus School
Ican California Abilities Network	The Community Foundation of Orange
Liberty Christian Schools Incorporated	The Hebrew Academy
Lomarena Elementary PTA	The Muzeo Foundation
Long Beach Day Nursery	UNCODED
Long Beach Unity Festival Inc	Whittier Elementary School

## RECIPIENT SPOTLIGHT



### MISSION

To foster creativity and culture, enliven communities and enable a thriving creative economy.

### IMPACT FACT

The Arts Council for Long Beach has Arts Education Enrichment Grants that provide financial support to Long Beach Unified School District students for arts education experiences, as well as a professional development component for teachers.







## F&M CONNECTS

2021 was an exciting year for employee engagement, as our team engaged in the community through volunteer hours in meaningful ways by packing meal boxes, building a garden at local a school, and mentoring at-risk youth. Across Southern California, F&M employees contributed over 2,000 volunteer hours serving on boards for nonprofits, providing vital financial education to community members, and serving nonprofits.



2,098 Hours of Volunteering



79 Total Organizations Served



13 Corporate Volunteer Events



# 2021 MICRO/SMALL BUSINESS GRANT PROGRAM

In response to the escalating need for pandemic relief resources, F&M Bank committed \$40,000 in 2021 to support local micro or small businesses adversely impacted by COVID-19 who had been forced to make adjustments to stabilize the business while continuing to support the local community. 16 grant recipients were selected from 659 applicants by a Grants Selection Committee comprised of F&M Bank employees. Preference was given to businesses serving low to moderate income communities and/or those owned by a member of an underrepresented community. Being an F&M Bank client was not a requirement.



Dr. Mehran Daoudian

## **American Dental and Medical Institute**

The grant was used to set-up a training bungalow in the back of the office to facilitate the need for more space for socially distanced student training.



Serina Lim

## **Phnom Pich Jewelry Int'l**

The grant was used to pay rent and wages for employees in an effort to carry-on family entrepreneurial dreams and resume cultural advocacy within Cambodia Town.



Dr. Sandra Hardy

## **Center for Best Living, Inc.**

The grant was used to increase office support, assist with rent, provide outreach to the community, and update technological support for on-line therapy.



Sharon Kim

## **Cousimano's Pizza & Italian Delicatessen**

The grant was used to pay backlogged bills and fast track much needed roof and gutter repairs that were delayed due to low sales as a result of declining economy and social distancing requirements.

Ashley Williams  
**Friends Preschool and Childcare**

Irma Gallegos  
**Gallegos Family Child Care**

Jala Eaton  
**On My Own Financial**

Blanca Plancarte  
**LA Document Services LLC**

Margarita Murillo  
**Amistad Multi Media Inc.**

Dina Feldman  
**Feel Good Salsa LLC**

Vilma Castanon  
**Castañón Family Child Care LLC**

Tatiana Pacheco  
**Andrea's Healthy Kitchen Incorporated**

Martine G. Brousse  
**Advimed PRO**

Omar Hernandez  
**Global Urban Strategies, Inc.**

Susan Solano  
**Traveling Pants**

Rebecca Gentner  
**Giant Steps Child Care Center**



# LONG BEACH COMMUNITY INTERNSHIP PROGRAM

F&M Bank was the founding corporate sponsor for the Long Beach Community Internship Program (LBCIP) which connects CSULB Long Beach Promise students with local Long Beach nonprofits for transformative paid internship opportunities. This tight knit collaboration between education, the nonprofit sector, and corporations allows students to do meaningful work in their own neighborhoods, while they apply coursework to real world settings, hone professional skills, network, and explore local career options. F&M held a financial education workshop open to any student completing an internship to help address important topics to the college students. We are proud to partner with this community-minded, innovative program as they create the bridge from education to employment.

## HIGHLIGHTS

38

student interns participated  
in the Fall 2021 program

29

Long Beach nonprofit  
organization host sites

80%

first in their family to  
earn a college degree

45%

receive job offers from their  
internship site or by referral

100%

of students report benefits to participating in the program  
including increased confidence and the opportunity to  
network while giving back to the local community



From L to R: Anayantzy Hernandez Nieblas, LBCIP Cohort 5 (Fall 2022), Kristal King, LBCIP Cohort 1 (Spring 2021), Dr. Beth Manke, LBCIP Program Lead



CALIFORNIA STATE UNIVERSITY  
**LONG BEACH**

## 2021 JOHN W. H. HINRICHS SCHOLARSHIP

In 2014, F&M Bank created the John W. H. Hinrichs Scholarship with the CSULB 49er Foundation to honor our Chief Financial Officer, John W.H. Hinrichs, for his 50 years of service to the Bank. F&M Bank Chairman of the Board and CEO, Daniel K. Walker, announced on March 30, 2014, that the Farmers & Merchants Bank Foundation, would, as its first gift, endow the John W.H. Hinrichs Finance and Accounting Scholarship at the California State University of Long Beach. The scholarship would be awarded to a deserving and promising student of finance who was in need and intent on bettering themselves through education.

The Farmers & Merchants Bank Foundation is pleased to introduce the 4 recipients of the 2021 John W.H. Hinrichs Finance and Accounting Scholarship at California State University, Long Beach, each receiving \$2,500.



**Alvin Avina**

Accounting major

Alvin is no stranger to hard work and community involvement. Alvin attends school full-time, works as a Legislative Aide to the Long Beach City Council, helps provide for his family and is active in his community. Through his Accounting degree, Alvin aims to demystify finances for his community members, mentor local youth, and one day receive his CPA license and establish his own CPA firm.



**Julius Pinlac**

Accounting major

Through his academics and background, Julius has developed a fascination with the "world and language of business." Julius is passionate about Accounting and was recognized as the "Most Outstanding Accounting Society Member" from the Beta Alpha Psi & Accounting Society. He has actively offered his advice to fellow transfer students as a BTCC Transfer Ambassador.



**Milton Zelaya**

Accounting major

Milton is a resilient first-generation college student who has overcome his share of adversity. He is a role model to his siblings, a provider for his family, and an active member in his community. Milton is a hard worker in and out of school, as he works full-time and attends school full-time. His goal is to become a licensed CPA and join the corporate accounting field in the near future.



**Hailey Krieger**

Accounting major

Hailey has always had a passion for numbers, so it is no surprise that she is studying Accounting and is working towards her Real Estate license. Aside from numbers, Hailey is also passionate about giving back to her community, as she regularly volunteers at local food shelters and coaches her younger sister's softball team.



## DOWNTOWN LONG BEACH ALLIANCE PARTNERSHIP

F&M Bank partnered with the Downtown Long Beach Alliance (DLBA) to support its Small Business and Women-Owned Business Grant programs by committing \$90,000 over a three-year period as a Legacy Partner with DLBA. As a supporter of DLBA, we are dedicated to promoting economic inclusion by growing small businesses and cultivating entrepreneurs in our local economy.

### Entrepreneur Education Series & Small Business Grant

To qualify for DLBA's Pitchfest, in its fourth year, business owners completed a series of modules over five weeks in the Entrepreneur and Small Business Education Series. The program is a partnership among DLBA, Long Beach State University's Institute for Innovation & Entrepreneurship and F&M Bank. After an intensive business pitch session, three up-and-coming entrepreneurs were selected to receive grants totaling \$20,000 to fuel their small businesses.

### Woman-Owned Business Accelerator (WOBA)

In its fourth year, the DLBA grant program enabled up to five women-owned businesses to share \$10,000 of funding provided by F&M Bank. Grant winners receive technical assistance and coaching from the Institute for Innovation & Entrepreneurship at California State University, Long Beach. For the second consecutive year, DTLB-based Fuller Management Corporation also offered full-service, customized, comprehensive business development and coaching to program participants.

### Pitchfest Incubator Award Winners

#### Janine Solano - \$10,000

To create a new pet supply kiosk for Shoreline Village. The business, Dopey's Dog House, plans to serve pet owners who enjoy bringing their pets to the marina.

#### Elva Garcia - \$5,000

To grow Mariscos El Compa Ivan that serves authentic Mexican seafood in a family style by the beach.

#### Saren Rem - \$5,000

To support Sarenity Floral, a new floral studio to teach in-person and online floral arrangement workshops and sell floral arrangements.

The award recipients were among a group of nine rising stars who pitched business plans to a panel of judges comprised of economic and community leaders.



Downtown Long Beach Alliance Pitchfest winner  
Janine Solano with F&M Bank Relationship  
Manager Kourosh Davatolhagh



## BANKING ON OUR NONPROFITS

Beyond financial support, contributions have come in the form of in-kind donations such as bottled water for charity events, charity auction item donations, and waived fees. As a financial institution, we recognize the importance of providing critical banking services that allow businesses, specifically nonprofits, to be able to serve their missions. Our Specialty Lending Department coordinates Tax-Exempt Financing for qualifying entities, allowing their nonprofit clients to obtain loans without the tax implications. This means more money can be utilized for programs or other important expenses that help their constituents.

Tax-Exempt Loans

Construction Lending

Operating Lines of Credit

Capital Campaign Bridge Loans

Corporate Online Banking Services

Non-Profit Earning Credit Rates

New Market Tax Credit Projects

## NONPROFIT LOAN RECIPIENT SPOTLIGHT



### Orange County Museum of Art

Construction Loan Direct Placement Tax Exempt Bond

The new permanent home at the Segerstrom Center for the Arts will provide OCMA with a central location, expanded gallery space, and inviting public areas, further enabling the museum to engage the public through art.



# COMMITMENT TO OUR CLIENTS

## Paycheck Protection Program (PPP) Loan Forgiveness

In 2020, the Paycheck Protection Program (PPP) was rolled out to provide loans to help businesses keep their workforce during the COVID-19 crisis. A second round of PPP loans was authorized in January 2021 to provide ongoing support as the economy was still reeling from the effects of shutdowns, quarantines, and new social norms. With a 99% loan forgiveness rate, these funds came at a time when it was most needed for the businesses to survive while supporting over 118,000 local jobs. Our desire to serve our neighbors and community members who operate those businesses led to an effort that we are proud to look back on.



**\$1.05B**  
PPP Loan Funding



**118,803**  
Local Jobs Saved



**6,534**  
PPP Loans Issued



**99%**  
PPP Loan Forgiveness Rate

# OPERATION S.A.F.E.

At F&M Bank, providing vital education to keep our clients' money safe is another way we strive to serve. According to the Federal Trade Commission, in 2021 consumers reported losing more than \$5.8 billion in fraud, an increase of more than 70 percent over the previous year. F&M Bank introduced Operation S.A.F.E. in 2020 to empower our clients with the knowledge and defense tactics they need to avoid falling victim to scams such as spoofing, phishing, and malware. Through education and communication we are following our founder's C.J. Walker's directive of safeguarding our clients' accounts to help our community thrive. In 2021, F&M was able to recover 97% of dollars that were subjected to fraud.

## Operation S.A.F.E.'s #1 Goal: Stop fraudsters in their tracks.





