

**FOR IMMEDIATE RELEASE**

Investor and Press Contact:

Ray Ciccone, S.V.P. & Chief Financial Officer

Paul Hagan, President & Chief Operating Officer

516-399-6071

**First Central Savings Bank Reports Calendar Third Quarter 2021 Results  
Highlighted by excellent Record Operating and Cash Earnings, Strong Net Interest  
Margin, and Exceptional Asset Quality**

**Performance Highlights**

- **Operating and Cash Earnings:** Net income for the quarter ended September 30, 2021 was \$2.5 million or \$0.24 per share, compared to \$840 thousand or \$0.08 per share recorded in the prior year quarter ended September 30, 2020, representing a 200.6% increase in net income year-over-year. Cash earnings for the quarter ended September 30, 2021 were a record \$3.3 million, or \$0.31 per share, an increase of \$1.7 million, or 115.5%, from \$1.5 million, or \$0.15 per share, for the prior year quarter. Net income for the nine months ended September 30, 2021 was \$5.5 million or \$0.52 per share, compared to \$2.0 million or \$0.20 per share recorded in the prior year nine months ended September 30, 2020, representing a 172.2% increase in year to date net income year-over-year.
- **Balance Sheet Growth:** Assets totaled \$707.4 million at September 30, 2021, up \$29.6 million, or 4.37%, from June 30, 2021 and up \$26.2 million, or 3.85%, from September 30, 2020 primarily due to loan growth.
- **Continued Capital Strength:** The Bank's Tier 1 capital ratio was 9.51% and the Total Risk based capital ratio was 14.18% at September 30, 2021, each above the regulatory minimum for a well-capitalized institution.
- **Year-over-Year Loan Growth:** At September 30, 2021, total loans outstanding was \$582.9 million or 82.4% of total assets, up \$24.6 million, or 4.4%, from September 30, 2020.
- **Net Interest Income Growth:** The Bank recorded net interest income of \$6.5 million for the quarter ended September 30, 2021, an increase of \$1.2 million, or 21.6%, from the quarter ended September 30, 2020 and an increase of \$81 thousand, or 1.3%, on a linked quarter basis.
- **Growth of Mortgage Banking Division:** Since November 2019, the newly formed mortgage banking division has originated \$361.4 million in non-conforming residential loans which are held in portfolio or sold to the secondary market.
- **Gain on sale of loans:** The Bank recorded gain on sales of loans of \$1.4 million for the quarter ended September 30, 2021, an increase of \$1.4 million, or 2,389.5%, from the quarter ended September 30, 2020 and an increase of \$638 thousand, or 81.7%, on a linked quarter basis.
- **Excellent Asset Quality:** At September 30, 2021, the Bank's asset quality was pristine and ranked at the top of its peer group with 0.17% non-performing loans to total loans.
- **Strong Net Interest Margin and Spread:** The Bank's net interest margin and spread for the current quarter was strong at 3.84% and 3.79%, respectively.

Glen Cove, N.Y. – October 19, 2021 – Joseph Pistilli, Chairman of the Board, of First Central Savings Bank (“FCSB”, “the Bank”) today reported significant performance achievements for the quarter ended September 30, 2021, highlighted by the Bank’s excellent operating and cash earnings, continued momentum in year-over-year loan growth, excellent asset quality, and higher net income.

### **Strong Operating Earnings Momentum on both Cash and GAAP Basis**

The Bank’s cash earnings were strong at \$3.3 million, or \$0.31 per share, for the quarter ended September 30, 2021, which represents an increase of \$1.8 million, or 115.5% from the quarter ended September 30, 2020. On a GAAP basis, net income for the quarter ended September 30, 2021 was \$2.5 million, or \$0.24 per share, compared with net income of \$840 thousand, or \$0.08 per share, for the quarter ended September 30, 2020. Due to the significant deferred tax asset recognized, the Bank is not required to pay federal income taxes until the Bank fully utilizes the remaining net operating loss carryforward. As such, significantly all the federal income tax expense on the income statement is considered a non-cash expense.

Joseph Pistilli, Chairman of the Board noted, “First Central continues to build shareholder value in calendar 2021 by delivering continued earnings momentum and solid loan growth. In the past year, we have achieved net income growth of 200.6%, loan growth of 4.4% and deposit growth of 4.6%. We continue to enhance shareholder value with an increase in our book value from \$6.07 per share at September 30, 2020 to \$6.53 per share at September 30, 2021, an increase of \$0.46 or 7.58%. The Board of Directors is committed to exploring new opportunities to build upon our growing banking franchise.”

Paul Hagan, President and Chief Operating Officer, reflected on the Bank’s results, “Our core earnings momentum continues as evidenced by our growth in net interest income and loan sale income for the September 2021 quarter. Net interest income increased 21.6% year over year for the September quarter and loan sale income increased significantly during the same quarterly period. Additionally, the growth of our non-interest-bearing deposits has contributed to the increase in net interest income. As of September 2021, our non-interest-bearing deposit accounts represent 21.6% of the Bank’s deposit base compared to 13.5% as of December 2020. Further, as we remain steadfastly selective in our loan underwriting, our growth story continues to be highlighted by industry leading asset quality. As we have grown the balance sheet, we have maintained strong expense control as indicated by our efficiency ratio of 61.03%. Our ability to prudently control expenses while continuing to deliver robust growth is indicative of management’s commitment to creating shareholder value.”

### **Balance Sheet Growth**

Total assets for the quarter ended September 30, 2021 increased by \$29.6 million to \$707.4 million as the Bank continued to originate non-conforming loans and sell them on the secondary market. On a year-over-year basis, total assets grew by \$26.2 million, or 3.8%, driven by the Bank’s robust loan originations offset by non-conforming loan sales. As of September 30, 2021, the Bank has been able to generate a non-conforming loan pipeline of \$208.3 million. Total loan portfolio growth at September 30, 2021 increased by \$24.6 million, or 4.4%, from the loan balance September 30, 2020.

Funding for asset growth during the quarter was primarily derived from deposits. On a year-over-year basis, total deposits grew by \$27.5 million, or 4.5%, as the Bank continues to grow deposits. The Bank has had incredible success in growing the non-interest-bearing deposits through non-conforming loan originations and the retail branches. As of September 30, 2021, total non-interest-bearing deposits were \$137.1 million or 21.6% of total deposits compared to \$81.1 million or 13.4% of total deposits as of September 30, 2020.

The Bank also will also utilize borrowings from the FHLB to fund loan growth, however due to the high levels of liquidity, the bank has no outstanding borrowings as of September 2021. At September 30, 2021, the Bank has \$57.3 million in borrowing capacity from the FHLB.

The Bank's overall average cost of funds was 0.63% for the quarter ended September 30, 2021, a decrease of eleven basis points from 0.74% for the quarter ended June 30, 2021. Management expects that further cost of funds decreases will be limited in the future due to expected increasing in short term interest rates.

Management continues to be pro-active in securing longer-term certificates of deposit in the current low interest rate environment to better position the interest-rate-risk profile of the Bank in anticipation of higher rates in the upcoming years. While this strategy of securing current longer-term funding at current rates is more costly than shorter-term funding, management believes it will better protect and enhance future earnings during the anticipated rising interest rate cycle in the years ahead.

### **Loan Portfolio and Asset Quality**

For the twelve-month period ended September 30, 2021, the Bank's loan portfolio grew by \$24.6 million, or 4.4%, with the growth concentrated primarily in non-conforming residential loans. Management continues to employ a strategy of concentrating its loan growth in these products, which provides the Bank with traditionally safe credit quality at acceptable credit spreads, greater liquidity and an enhanced interest-rate-risk profile. Over the past twelve months, originations of the non-conforming product amounted to \$237.3 million. At September 30, 2021, the entire non-conforming loan portfolio amounted to \$189.8 million, with an average loan balance of \$606 thousand and a weighted average loan-to-value ratio of 58.5%.

As a result of the Bank's robust non-conforming loan generation capabilities, the Bank has been able to generate additional income by strategically originating and selling its non-conforming loans to other financial institutions at premiums. As of September 30, 2021, the Bank has \$208.3 million within the non-conforming pipeline with a weighted average interest rate of 4.65%. Due to the strong pipeline, the Bank expects that it will continue to originate, for its own portfolio and others, which will result in a continued increase in interest income while also realizing gains on sale of loans. For the three months ended September 30, 2021, the Bank earned \$1.4 million in premiums on loans sold net of FASB 91 fees and costs.

The Bank's asset quality ratios are pristine and class leading among its peer group of community banks. At September 30, 2021, the loan portfolio had non-performing loans of \$1.0 million or 0.17% of total loans and 0.14% of total assets. During the quarter ended September 30, 2021, the Bank did not need a provision for loan losses. The total allowance for loan losses at September 30, 2021 was \$6.1 million and as a percent of gross loans was 1.10% for the most recent quarter end.

### **Strong Net Interest Margin**

The Bank's net interest margin remained strong for the quarter ended September 30, 2021 at 3.84% due to the continued origination of non-conforming loans at above market rates, prepayment penalties of \$215 thousand, and continued decrease in the Bank's cost of funds.

### **Opportunities for First Central Savings Bank**

The Bank's executive team and Board remain focused on enhancing shareholder value through prudent growth, tight expense control and further business opportunities. The Bank's Board of Directors continues to make significant investments of their own capital into First Central Savings Bank which represents approximately 85% of shares outstanding. The Bank concluded its most recent capital raise in September 2021 which allowed the Bank to continue its growth strategy. In addition, the Bank was granted regulatory approval to open a new branch location in Lynbrook New York.

Our mobile banking product allows customers to perform various banking functions including remote check deposits, "Zelle" money transfers, obtaining deposit account balances and transferring funds between accounts using their mobile phones. The continued implementation of application based mobile banking

software products enables the Bank to better compete with much larger financial institutions in the marketplace by offering the latest banking technology solutions. The Bank also expects to upgrade our core banking system in early 2022 which will enhance our customer experience.

### **About First Central Savings Bank**

With assets of \$707.4 million at September 30, 2021, First Central Savings Bank is a locally owned and operated community savings bank, focusing on highly personalized and efficient services and products responsive to local needs. Management and the Board of Directors are comprised of a select group of successful local businessmen who are committed to the success of the Bank by knowing and understanding the metro-New York area's financial needs and opportunities. Backed by state-of-the-art technology, First Central offers a full range of modern financial services. First Central employs a complete suite of consumer and commercial banking products and services, including multi-family and commercial mortgages, ADC and bridge loans, residential loans, middle market business loans and lines of credit. First Central also offers customers 24-hour ATM service with no fees attached, free checking with interest, mobile banking, the most advanced technologies in internet banking for our consumer and business customers, safe deposit boxes and much more. The Bank continues to roll out its mobile banking software products and more recently introduced the "Zelle" money transfer product to our customers. First Central Savings Bank maintains its corporate offices in Glen Cove, New York with an additional eight branches throughout Queens New York.

First Central Savings Bank is a member of the Federal Deposit Insurance Corporation and is an Equal Housing/Equal Opportunity Lender. For further information, call 516-399-6010 or visit the Bank's state-of-the-art website at [www.myfcsb.com](http://www.myfcsb.com).

### **Forward-Looking Statements**

This release may contain certain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and may be identified by the use of such words as "may," "believe," "expect," "anticipate," "should," "plan," "estimate," "predict," "continue," and "potential" or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, estimates with respect to the financial condition, results of operations and business of First Central Savings Bank. Any or all of the forward-looking statements in this release and in any other public statements made by First Central Savings Bank may turn out to be incorrect. They can be affected by inaccurate assumptions First Central Savings Bank might make or by known or unknown risks and uncertainties. Consequently, no forward-looking statement can be guaranteed. First Central Savings Bank does not intend to update any of the forward-looking statements after the date of this release or to conform these statements to actual events.

**First Central Savings Bank**  
**Statements of Condition - (unaudited)**  
(dollars in thousands)

	<u>9/30/2021</u>	<u>6/30/2021</u>	<u>9/30/2020</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 67,047	\$ 46,238	\$ 56,364
Investments Available for Sale	34,471	32,326	43,011
Investments Held to Maturity	1,000	-	-
Loans held for sale	24,735	22,356	-
Loans receivable	558,238	554,489	558,403
Less: allowance for loan losses	(6,145)	(6,015)	(5,167)
Loans, net	<u>552,093</u>	<u>548,474</u>	<u>553,236</u>
Other assets	28,090	28,414	28,616
<b>Total Assets</b>	<u><u>\$ 707,436</u></u>	<u><u>\$ 677,808</u></u>	<u><u>\$ 681,227</u></u>
<b>Liabilities and Shareholders Equity</b>			
Total Deposits	\$ 631,142	\$ 605,869	\$ 603,617
FHLB Advances	-	-	10,000
Other Liabilities	6,734	4,861	4,763
<b>Total Liabilities</b>	<u>637,876</u>	<u>610,730</u>	<u>618,380</u>
Total Shareholders' Equity	69,560	67,078	62,847
<b>Total Liabilities and Shareholders' Equity</b>	<u><u>\$ 707,436</u></u>	<u><u>\$ 677,808</u></u>	<u><u>\$ 681,227</u></u>

**First Central Savings Bank**  
**Statements of Income - (unaudited)**  
(dollars in thousands, except per share data)

	Quarter Ended 9/30/2021	Quarter Ended 9/30/2020	9 Months Ended 9/30/2021	9 Months Ended 9/30/2020
Total Interest income	\$ 7,464	\$ 7,291	\$ 22,233	\$ 21,146
Total interest expense	976	1,955	3,442	6,527
<b>Net interest income</b>	<b>6,488</b>	<b>5,336</b>	<b>18,791</b>	<b>14,619</b>
Provision for loan losses	-	300	950	775
<b>Net interest income after provision for loan loss</b>	<b>6,488</b>	<b>5,036</b>	<b>17,841</b>	<b>13,844</b>
Net gain on loans sold	1,419	57	2,753	422
Other non-interest income	270	209	584	728
<b>Total non-interest income</b>	<b>1,689</b>	<b>266</b>	<b>3,337</b>	<b>1,150</b>
Compensation and benefits	2,738	2,288	7,874	6,681
Occupancy and Equipment	732	674	2,212	2,103
Data processing	401	280	1,092	682
Federal insurance premium	90	163	374	485
Professional fees	414	373	1,000	1,128
Other	615	477	1,704	1,405
<b>Total non-interest income</b>	<b>4,990</b>	<b>4,255</b>	<b>14,256</b>	<b>12,484</b>
<b>Income before income taxes</b>	<b>3,187</b>	<b>1,047</b>	<b>6,922</b>	<b>2,510</b>
Income tax expense	662	207	1,424	490
<b>Net income</b>	<b>\$ 2,525</b>	<b>\$ 840</b>	<b>\$ 5,498</b>	<b>\$ 2,020</b>
Basic Earnings per Share-GAAP basis	\$ 0.24	\$ 0.08	\$ 0.52	\$ 0.20
Diluted Earnings per Share-GAAP basis	\$ 0.24	\$ 0.08	\$ 0.52	\$ 0.20
<b>Supplementary Information:</b>				
Net Income	\$ 2,525	\$ 840	\$ 5,498	\$ 2,020
<b>Add Back non-cash charges</b>				
Provision for loan losses	-	300	950	775
Depreciation expense	118	104	320	338
Provision income taxes	694	305	1,720	761
<b>Cash Net income</b>	<b>\$ 3,336</b>	<b>\$ 1,548</b>	<b>\$ 8,487</b>	<b>\$ 3,893</b>
Basic Earnings per Share-GAAP basis	\$ 0.31	\$ 0.15	\$ 0.80	\$ 0.38
Diluted Earnings per Share-GAAP basis	\$ 0.31	\$ 0.15	\$ 0.80	\$ 0.38

**First Central Savings Bank**  
**Statements of Income - (unaudited)**  
(dollars in thousands, except per share data)

	Quarter Ended 9/30/2021	Quarter Ended 6/30/2021	Quarter Ended 3/31/2021	Quarter Ended 12/31/2020
Total Interest income	\$ 7,464	\$ 7,528	\$ 7,241	\$ 7,397
Total interest expense	976	1,121	1,344	1,646
<b>Net interest income</b>	<b>6,488</b>	<b>6,407</b>	<b>5,897</b>	<b>5,751</b>
Provision for loan losses	-	250	700	2,153
<b>Net interest income after provision for loan loss</b>	<b>6,488</b>	<b>6,157</b>	<b>5,197</b>	<b>3,598</b>
Net gain on loans sold	1,419	781	553	79
Other non-interest income	270	153	161	452
<b>Total non-interest income</b>	<b>1,689</b>	<b>934</b>	<b>714</b>	<b>531</b>
Compensation and benefits	2,738	2,654	2,483	2,641
Occupancy and Equipment	732	714	766	646
Data processing	401	370	321	305
Federal insurance premium	90	130	154	151
Professional fees	414	307	278	512
Other	615	570	519	614
<b>Total non-interest income</b>	<b>4,990</b>	<b>4,745</b>	<b>4,521</b>	<b>4,869</b>
<b>Income before income taxes</b>	<b>3,187</b>	<b>2,346</b>	<b>1,390</b>	<b>(740)</b>
Income tax expense	662	483	281	(172)
<b>Net income</b>	<b>\$ 2,525</b>	<b>\$ 1,863</b>	<b>\$ 1,109</b>	<b>\$ (568)</b>
Basic Earnings per Share-GAAP basis	\$ 0.24	\$ 0.17	\$ 0.11	\$ (0.05)
Diluted Earnings per Share-GAAP basis	\$ 0.24	\$ 0.17	\$ 0.11	\$ (0.05)
<b>Supplementary Information:</b>				
Net Income	\$ 2,525	\$ 1,863	\$ 1,109	\$ (568)
<b>Add Back non-cash charges</b>				
Provision for loan losses	-	250	700	2,153
Depreciation expense	118	102	100	86
Provision income taxes	694	567	460	315
<b>Cash Net income</b>	<b>\$ 3,336</b>	<b>\$ 2,782</b>	<b>\$ 2,369</b>	<b>\$ 1,985</b>
Basic Earnings per Share-GAAP basis	\$ 0.31	\$ 0.26	\$ 0.23	\$ 0.19
Diluted Earnings per Share-GAAP basis	\$ 0.31	\$ 0.26	\$ 0.23	\$ 0.19

**First Central Savings Bank**  
**Selected Financial Data - (unaudited)**  
(dollars in thousands, except per share data)

	<u>Quarter Ended</u> <u>9/30/2021</u>	<u>Quarter Ended</u> <u>6/30/2021</u>	<u>Quarter Ended</u> <u>3/31/2021</u>
<b>Asset Quality:</b>			
Allowance for Loan Losses (1)	\$ 6,145	\$ 6,015	\$ 5,801
Allowance for Loan Losses to Total Loans (1)	1.10%	1.04%	0.99%
Non-Performing Loans	\$ 969	\$ 1,076	\$ 1,091
Non-Performing Loans/Total Loans	0.17%	0.19%	0.20%
Non-Performing Loans/Total Assets	0.14%	0.16%	0.16%
Allowance for Loan Losses/Non-Performing Loans	634.15%	559.18%	531.96%
<b>Capital: (dollars in thousands)</b>			
Tier 1 Capital	\$ 65,207	\$ 62,012	\$ 57,926
Tier 1 Leverage Ratio	9.51%	9.21%	8.50%
Common Equity Tier 1 Capital Ratio	12.94%	12.16%	11.05%
Tier 1 Risk Based Capital Ratio	12.94%	12.16%	11.05%
Total Risk Based Capital Ratio	14.18%	13.36%	12.18%
<b>Equity Data</b>			
Common shares outstanding	10,648,345	10,648,345	10,359,959
Stockholders' equity	\$ 69,560	\$ 67,078	\$ 63,145
Book value per common share	6.53	6.30	6.10
Tangible common equity	69,560	67,078	63,145
Tangible book value per common share	6.53	6.30	6.10

(1) Calculation excludes loans held for sale



**First Central Savings Bank**  
**Selected Financial Data - (unaudited)**  
(dollars in thousands)

	<u>Quarter Ended</u> <u>9/30/2021</u>	<u>Quarter Ended</u> <u>6/30/2021</u>	<u>Quarter Ended</u> <u>3/31/2021</u>
<b>Other: (in thousands)</b>			
Average Interest-Earning Assets	669,578	655,871	662,022
Average Interest-Bearing Liabilities	493,731	503,699	529,499
Average Deposits and Borrowings	622,018	610,560	619,899
<b>Profitability:</b>			
Return on Average Assets	1.46%	1.10%	0.65%
Return on Average Equity	14.72%	11.34%	7.04%
Yield on Average Interest Earning Assets	4.42%	4.60%	4.41%
Cost of Average Interest Bearing Liabilities	0.79%	0.89%	1.02%
Cost of Funds	0.63%	0.74%	0.88%
Net Interest Rate Spread (1)	3.79%	3.86%	3.53%
Net Interest Margin (2)	3.84%	3.91%	3.59%
Non-Interest Expense to Average Assets	0.72%	0.70%	0.66%
Efficiency Ratio	61.03%	64.63%	77.50%

(1) Net interest rate spread represents the difference between the average yield on average interest-earning assets and the average cost of average interest-bearing liabilities

(2) Net interest margin represents net interest income divided by average interest earning assets