

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 Record Calendar First Quarter 2022 Results Highlighted
by Record Net Income and Cash Earnings, Excellent Balance Sheet Growth, Strong Net
Interest Margin, and Exceptional Asset Quality**

Performance Highlights

- **Net Income and Cash Earnings:** Net income for the quarter ended March 31, 2022 was a record \$3.7 million or \$0.35 per share, compared to \$1.1 million or \$0.11 per share recorded in the prior year quarter ended March 31, 2021. Cash earnings for the quarter ended March 31, 2022 were a record \$5.5 million, or \$0.51 per share, an increase of \$3.3 million, or 150.0%, from \$2.2 million, or \$0.21 per share, for the prior year quarter.
- **Record Financial Performance Metrics:** Return on average assets and average stockholders' equity were 1.91% and 20.35%, respectively, for the quarter ended March 31, 2022 compared to 0.65% and 7.04%, respectively, for the prior year quarter.
- **Balance Sheet Growth:** Assets totaled \$806.0 million at March 31, 2022, up \$42.2 million, or 5.5%, from December 31, 2021 and up \$126.6 million, or 18.6%, from March 31, 2021 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 14.46% at March 31, 2022, each above the regulatory minimum for a well-capitalized institution.
- **Loan Growth:** At March 31, 2022, total loans outstanding was \$679.0 million or 84.2% of total assets, up \$33.4 million, or 5.2%, from December 31, 2021.
- **Net Interest Income Growth:** The Bank recorded net interest income of \$7.7 million for the quarter ended March 31, 2022, an increase of \$1.8 million, or 30.5%, from the quarter ended March 31, 2021 and an increase of \$281 thousand, or 3.8%, on a linked quarter basis.
- **Gain on sale of loans:** The Bank recorded gain on sales of loans of \$2.9 million for the quarter ended March 31, 2022, an increase of \$2.3 million, or 416.5%, from the quarter ended March 31, 2021 and an increase of \$196 thousand, or 7.4%, on a linked quarter basis.
- **Excellent Asset Quality:** At March 31, 2022, the Bank's asset quality was pristine and ranked at the top of its peer group with 0.48% 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 4.14% and 4.10%, respectively.

Glen Cove, N.Y. – April 26, 2022 – Joseph Pistilli, Chairman of the Board, of First Central Savings Bank (“FCSB”, “the Bank”) today reported significant performance achievements for the quarter ended March 31, 2022, highlighted by the Bank’s record operating and cash earnings, continued momentum in year-over-year loan growth, excellent asset quality, and record net income.

Strong Operating Earnings Momentum on both Cash and GAAP Basis

The Bank’s cash earnings were strong at \$5.5 million, or \$0.51 per share, for the quarter ended March 31, 2022, which represents an increase of \$3.3 million, or 150.0% from the quarter ended March 31, 2021. On a GAAP basis, net income for the quarter ended March 31, 2022 was \$3.7 million, or \$0.35 per share, compared with net income of \$1.1 million, or \$0.11 per share, for the quarter ended March 31, 2021. 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, “In the first quarter of 2022, First Central continued to build shareholder value by delivering continued earnings momentum and solid loan growth. In the past quarter we had record net income of \$3.7 million which surpassed our previous record net income of \$3.2 million in the fourth quarter of 2021. We continue to enhance shareholder value with an increase in our book value from \$6.10 per share at March 31, 2021 to \$6.95 per share at March 31, 2022, an increase of \$0.85 or 13.9%. I am extremely proud of the management team and Board of Directors that we have assembled at the Bank and the expertise they bring in growing the franchise value for our shareholders.”

Paul Hagan, President and Chief Operating Officer, reflected on the Bank’s results, “The quarter ended March 31, 2022, was another spectacular quarter highlighted by strong operating results. Management executed on its growth strategy that brought record net interest income, record loan sale income and record net income for the March 2022 quarter. However, the current economic environment with rising interest rates, inflation, and world turmoil poses challenges to the Bank going forward. Management will continue to generate commercial real estate loans and adjust its current residential growth strategy by originating more loans for portfolio as opposed to selling loans to the secondary market. The pricing in the secondary market for loan sales has become somewhat depressed due to rising interest rates. However, management will continue to evaluate opportunities to increase shareholder value.”

Balance Sheet Growth

Total assets for the quarter ended March 31, 2022 increased by \$42.2 million to \$806.0 million as the Bank continued to originate commercial and non-conforming loans while continuing to sell a portion of the non-conforming loans to the secondary market. On a year-over-year basis, total assets grew by \$126.6 million, or 18.6%, driven by the Bank’s robust loan originations offset by non-conforming loan sales. As of March 31, 2022, the Bank has been able to generate a non-conforming loan pipeline of \$145.7 million. Total loan portfolio growth at March 31, 2022 increased by \$95.1 million, or 16.3%, from the loan balance as of March 31, 2021.

Funding for asset growth during the quarter was primarily derived from deposits and borrowings from the Federal Home Loan Bank, (“FHLB”). On a year-over-year basis, total deposits grew by \$89.7 million, or 14.7%, as the Bank continues to grow deposits through their retail branches. The Bank has had incredible success in growing the non-interest-bearing deposits through non-conforming loan originations and the retail branches. As of March 31, 2022, total non-interest-bearing deposits were \$130.8 million or 18.6% of total deposits compared to \$97.0 million or 15.8% of total deposits as of March 31, 2021.

In addition to deposit growth, the Bank has used short term borrowings from the FHLB to fund loan growth during the quarter. This has been an effective low-cost funding strategy for the Bank. Due to the increase in loan sale volume, during the first quarter of 2022, the Bank used proceeds from the loan sales to repay short-

term borrowings. This allows the Bank to continually fund loans at low costs while growing the retail deposit base to support our asset growth. Total borrowings for the quarter ended March 31, 2022 increased to \$15 million.

The Bank's overall average cost of funds was 0.53% for the quarter ended March 31, 2022, which remained unchanged when compared to the quarter ended December 31, 2021. Management continues to be proactive in securing longer-term certificates of deposit in the current rising interest rate environment to better position the interest-rate-risk profile of the Bank in anticipation of even 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 current rising interest rate cycle that is expected to continue in the years ahead.

Loan Portfolio and Asset Quality

For the twelve-month period ended March 31, 2022, the Bank's loan portfolio grew by \$95.1 million, or 16.3%, 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 \$379.8 million. At March 31, 2022, the entire non-conforming loan portfolio amounted to \$297.9 million, with an average loan balance of \$636 thousand and a weighted average loan-to-value ratio of 58.6%.

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 March 31, 2022, the Bank has \$145.7 million within the non-conforming pipeline with a weighted average interest rate of 4.97%. 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 March 31, 2022, the Bank earned \$2.9 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 March 31, 2022, the loan portfolio had non-performing loans of \$3.2 million or 0.48% of total loans and 0.39% of total assets. During the quarter ended March 31, 2022, the Bank recorded a provision of \$600 thousand to account for the \$44.1 million increase in loans receivable. The total allowance for loan losses at March 31, 2022 was \$7.1 million and as a percent of loan receivable was 1.07% for the most recent quarter end.

Strong Net Interest Margin

The Bank's net interest margin remained strong for the quarter ended March 31, 2022 at 4.14% due to the continued origination of non-conforming loans at above market rates, prepayment penalties and loan fees of \$226 thousand, and effective cost of funds management.

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 was granted regulatory approval to open a new branch location in Lynbrook New York. Management expects the Lynbrook branch to open in the second quarter of 2022.

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 \$806.0 million at March 31, 2022, 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 mobile banking software products as well as our "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.

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>3/31/2022</u>	<u>12/31/2021</u>	<u>3/31/2021</u>
Assets			
Cash and cash equivalents	\$ 46,706	\$ 48,714	\$ 37,871
Investments Available for Sale	46,264	45,921	34,974
Investments Held to Maturity	1,000	1,000	-
Loans held for sale	14,852	43,167	-
Loans receivable	664,139	602,415	583,909
Less: allowance for loan losses	<u>(7,102)</u>	<u>(6,501)</u>	<u>(5,801)</u>
Loans, net	657,037	595,914	578,108
Other assets	<u>40,126</u>	<u>29,039</u>	<u>28,408</u>
Total Assets	<u>\$ 805,985</u>	<u>\$ 763,755</u>	<u>\$ 679,361</u>
Liabilities and Shareholders Equity			
Total Deposits	\$ 698,129	\$ 640,048	\$ 608,432
FHLB Advances	15,000	45,000	2,000
Other Liabilities	<u>18,817</u>	<u>6,301</u>	<u>5,784</u>
Total Liabilities	731,946	691,349	616,216
Total Shareholders' Equity	<u>74,039</u>	<u>72,406</u>	<u>63,145</u>
Total Liabilities and Shareholders' Equity	<u>\$ 805,985</u>	<u>\$ 763,755</u>	<u>\$ 679,361</u>

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

	Quarter Ended 3/31/2022	Quarter Ended 3/31/2021
Total Interest income	\$ 8,600	\$ 7,242
Total interest expense	903	1,344
Net interest income	7,697	5,898
Provision for loan losses	600	700
Net interest income after provision for loan loss	7,097	5,198
Net gain on loans sold	2,856	553
Other non-interest income	211	161
Total non-interest income	3,067	714
Compensation and benefits	2,858	2,484
Occupancy and Equipment	869	766
Data processing	425	321
Federal insurance premium	90	154
Professional fees	389	278
Other	832	520
Total non-interest income	5,463	4,523
Income before income taxes	4,701	1,389
Income tax expense	983	281
Net income	\$ 3,718	\$ 1,108
Basic Earnings per Share-GAAP basis	\$ 0.35	\$ 0.11
Diluted Earnings per Share-GAAP basis	\$ 0.35	\$ 0.11
Supplementary Information:		
Net Income	\$ 3,718	\$ 1,108
Add Back non-cash charges		
Provision for loan losses	600	700
Depreciation expense	173	100
Provision for federal income taxes	974	278
Cash Net income	\$ 5,465	\$ 2,186
Basic Earnings per Share-GAAP basis	\$ 0.51	\$ 0.21
Diluted Earnings per Share-GAAP basis	\$ 0.51	\$ 0.21

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

	Quarter Ended 3/31/2022	Quarter Ended 12/31/2021	Quarter Ended 9/30/2021	Quarter Ended 6/30/2021
Total Interest income	\$ 8,600	\$ 8,285	\$ 7,464	\$ 7,529
Total interest expense	903	869	976	1,122
Net interest income	<u>7,697</u>	<u>7,416</u>	<u>6,488</u>	<u>6,407</u>
Provision for loan losses	600	600	-	250
Net interest income after provision for loan loss	<u>7,097</u>	<u>6,816</u>	<u>6,488</u>	<u>6,157</u>
Net gain on loans sold	2,856	2,660	1,419	781
Other non-interest income	211	317	270	152
Total non-interest income	<u>3,067</u>	<u>2,977</u>	<u>1,689</u>	<u>933</u>
Compensation and benefits	2,858	3,317	2,738	2,653
Occupancy and Equipment	869	806	732	714
Data processing	425	382	401	370
Federal insurance premium	90	80	90	130
Professional fees	389	360	414	307
Other	832	767	615	570
Total non-interest income	<u>5,463</u>	<u>5,712</u>	<u>4,990</u>	<u>4,744</u>
Income before income taxes	4,701	4,081	3,187	2,346
Income tax expense	983	851	662	483
Net income	<u>\$ 3,718</u>	<u>\$ 3,230</u>	<u>\$ 2,525</u>	<u>\$ 1,863</u>
Basic Earnings per Share-GAAP basis	\$ 0.35	\$ 0.30	\$ 0.24	\$ 0.18
Diluted Earnings per Share-GAAP basis	\$ 0.35	\$ 0.30	\$ 0.24	\$ 0.18
Supplementary Information:				
Net Income	\$ 3,718	\$ 3,230	\$ 2,525	\$ 1,863
Add Back non-cash charges				
Provision for loan losses	600	600	-	250
Depreciation expense	173	173	118	102
Provision income taxes	974	843	655	478
Cash Net income	<u>\$ 5,465</u>	<u>\$ 4,846</u>	<u>\$ 3,298</u>	<u>\$ 2,693</u>
Basic Earnings per Share-GAAP basis	\$ 0.51	\$ 0.46	\$ 0.31	\$ 0.25
Diluted Earnings per Share-GAAP basis	\$ 0.51	\$ 0.46	\$ 0.31	\$ 0.25

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

	Quarter Ended 3/31/2022	Quarter Ended 12/31/2021	Quarter Ended 9/30/2021
Asset Quality:			
Allowance for Loan Losses (1)	\$ 7,102	\$ 6,501	\$ 6,145
Allowance for Loan Losses to Total Loans (1)	1.07%	1.08%	1.05%
Non-Performing Loans	\$ 3,163	\$ 577	\$ 969
Non-Performing Loans/Total Loans	0.48%	0.10%	0.17%
Non-Performing Loans/Total Assets	0.39%	0.08%	0.14%
Allowance for Loan Losses/Non-Performing Loans	224.57%	1126.75%	634.15%
Capital: (dollars in thousands)			
Tier 1 Capital	\$ 73,997	\$ 69,292	\$ 65,207
Tier 1 Leverage Ratio	9.51%	9.53%	9.51%
Common Equity Tier 1 Capital Ratio	13.21%	12.82%	12.94%
Tier 1 Risk Based Capital Ratio	13.21%	12.82%	12.94%
Total Risk Based Capital Ratio	14.46%	14.05%	14.18%
Equity Data			
Common shares outstanding	10,648,345	10,648,345	10,648,345
Stockholders' equity	\$ 74,039	\$ 72,406	\$ 69,560
Book value per common share	6.95	6.80	6.53
Tangible common equity	74,039	72,406	69,560
Tangible book value per common share	6.95	6.80	6.53

(1) Calculation excludes loans held for sale

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

	<u>Quarter Ended</u> <u>3/31/2022</u>	<u>Quarter Ended</u> <u>12/31/2021</u>	<u>Quarter Ended</u> <u>9/30/2021</u>
Other: (in thousands)			
Average Interest-Earning Assets	753,211	710,495	669,578
Average Interest-Bearing Liabilities	570,814	520,419	493,731
Average Deposits and Borrowings	689,788	665,965	622,018
Profitability:			
Return on Average Assets	1.91%	1.77%	1.46%
Return on Average Equity	20.35%	18.16%	14.72%
Yield on Average Interest Earning Assets	4.63%	4.63%	4.42%
Cost of Average Interest Bearing Liabilities	0.65%	0.66%	0.79%
Cost of Funds	0.53%	0.53%	0.63%
Net Interest Rate Spread (1)	4.10%	4.10%	3.79%
Net Interest Margin (2)	4.14%	4.14%	3.84%
Non-Interest Expense to Average Assets	0.69%	0.77%	0.72%
Efficiency Ratio	50.75%	54.97%	61.03%

(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