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First Central Savings Bank Reports First Quarter 2025 Results Highlighted by Net Income of \$1.8 million (\$0.17 EPS), Net Interest Margin Expansion by 25 basis points on a linked quarter basis and strong non-interest income.

Performance Highlights

- **Net Income:** Net income for the quarter ended March 31, 2025, was \$1.8 million, or \$0.17 per share, compared to \$1.2 million, or \$0.12 per share, recorded in the prior year quarter ended March 31, 2024.
- **Cash Net Income:** Cash net income for the quarter ended March 31, 2025, was \$2.1 million, or \$0.19 per share, compared to \$1.6 million or \$0.15 per share, recorded in the comparable 2024 quarter.
- **Net Interest Margin and Spread:** The Bank's net interest margin increased by 25 basis points to 3.13% during the quarter ended March 31, 2025, from 2.88% in the linked quarter ended December 31, 2024. The Bank's net interest spread increased to 2.19% during the quarter ended March 31, 2025, from 1.93% in the linked quarter ended December 31, 2024.
- **Non-Interest Income Growth:** Due to an increase in loan sale volume and loan sale premiums received for the quarter ended March 31, 2025, non-interest income increased by \$352 thousand or 21.2% from the prior year quarter.
- **Net Interest Income:** Net interest income for the quarter ended March 31, 2025, was \$7.3 million an increase of \$782 thousand, or 12.0%, from the quarter ended March 31, 2024 and \$383 thousand, or 5.5%, from the quarter ended December 31, 2024.
- **Financial Performance Metrics:** Return on average assets and average stockholders' equity were 0.75% and 8.21%, respectively, for the quarter ended March 31, 2025, compared to 0.51% and 5.89% in the comparable 2024 quarter end.
- **Regulatory Capital:** The Bank's Tier 1 leverage ratio was 9.62% and the Total Risk based capital ratio was 14.65% at March 31, 2025, each above the regulatory minimum for a well-capitalized institution.
- **Strong and Stable Liquidity:** The Uninsured deposits base remains stable at 20.2% of total deposits. The Bank has significant available funding capacity to provide 208% coverage of our uninsured deposits.

Glen Cove, N.Y. – April 25, 2025 – Joseph Pistilli, Chairman of the Board, of First Central Savings Bank ("FCSB", "the Bank") today reported continued performance achievements for the quarter ended March 31, 2025.

Cash and GAAP Basis Earnings

The Bank's cash earnings were \$2.1 million, or \$0.19 per share, for the quarter ended March 31, 2025, which represents a decrease of \$142 thousand, or 6.4%, on a linked quarter basis and an increase of \$492 thousand, or 31.1%, from the prior year quarter ended March 31, 2024.

On a GAAP basis, net income for the quarter ended March 31, 2025, was \$1.8 million, or \$0.17 per share, compared with net income of \$2.0 million, or \$0.19, from the prior linked quarter basis and net income of \$1.2 million, or \$0.12 per share, for the quarter ended March 31, 2024.

Joseph Pistilli, Chairman of the Board noted, "In the first quarter of 2025, First Central continued to build shareholder value by generating strong earnings, primarily due to gains on non-conforming residential loan



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sales and margin expansion. In addition, we increased our book value from \$7.95 per share at March 31, 2024, to \$8.44 at March 31, 2025, an increase of \$0.49 or 6.2%. We are cautiously optimistic about the credit quality of our loan portfolio, as it relates to the commercial loan sector, specifically to office space and multi-family as our exposure to this type of lending is limited. I am extremely proud of the management team and the Board of Directors that we have assembled at the Bank and the expertise they have in managing net interest income and asset quality during the current market conditions.”

Paul Hagan, President and Chief Operating Officer, reflected on the Bank’s results, “During the quarter ended March 31, 2025, the Bank expanded its net interest income and margin as a result of interest expense reductions. The cost of funds declined by 23 basis points during the first quarter of 2025. The pace of future deposit cost reductions will depend upon additional rate cuts from the Federal Reserve as well as competitor deposit pricing and their increased liquidity needs. We expect overall profitability to improve in the calendar year 2025 due to net interest margin expansion, growth in our loan portfolio, and increased loan sale income, however, we are very aware of potential credit quality deterioration, particularly in commercial and industrial loans that are present within our industry. Management will continue to effectively manage non-interest expenses to improve profitability and provide for any potential credit quality issues.”

Balance Sheet

On a year-over-year basis, total assets grew by \$21.3 million, or 2.2%, driven by the Bank’s loan originations offset by non-conforming loan sales of \$228.9 million during the period. Total assets for the quarter ended March 31, 2025, increased by \$18.7 million to \$983.6 million as the Bank continued to originate commercial and non-conforming loans while continuing to actively sell a portion of the non-conforming loans to the secondary market. The Bank sold \$60.1 million of non-conforming loans during the quarter. As of March 31, 2025, the Bank has been able to generate a non-conforming loan pipeline of \$118.1 million with a weighted average interest rate of 7.11%.

Total deposits were \$850.6 million as of March 31, 2025, an increase of \$21.6 million, or 2.6%, from December 31, 2024. The Bank has been successful in growing non-interest-bearing deposits from our retail branches and through non-conforming loan originations. Year over year, non-interest-bearing deposits increased by \$35.2 million or 32.4% to \$144.0 million as of March 31, 2025, representing 16.9% of the total deposit base. With the growth of the retail deposit base, the Bank was able to reduce its brokered deposit holdings by \$13.2 million, or 34.6%, and reduce borrowings by \$5.0 million, or 16.7%, to \$25.0 million when compared to December 31, 2024.

The Bank’s overall average cost of funds was 3.28% for the quarter ended March 31, 2025, a decrease of 23 basis points from 3.51% from the prior linked quarter. Three overnight rate cuts by the Federal Reserve totaling 100 bps in the fourth quarter of 2024 contributed to the Bank’s ability to lower deposit costs. Management continues to be pro-active in securing lower rate certificates of deposit in the current interest rate environment to better position the interest-rate-risk profile of the Bank in anticipation of further interest rate reductions in 2025. Management believes this strategy will better protect and enhance future earnings as interest rates continue to decline, and our deposits reprice downward in the future.

Loan Portfolio and Asset Quality

For the twelve-month period ended March 31, 2025, the Bank’s loan portfolio grew by \$47.2 million, or 5.6%, 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 \$323.2 million. At March 31, 2025, the entire non-conforming loan portfolio amounted to \$486.8 million, with an average loan balance of \$551.9 thousand and a weighted average loan-to-value ratio of 62.9%.

As a result of the Bank's robust non-conforming loan generation capabilities, the Bank had been able to generate additional income by strategically originating and selling its non-conforming loans to other financial institutions at premiums. The Bank expects that it will continue to originate, in the near term, for its own portfolio and, in the long term, for others, which will result in a continued increase in interest income while also realizing gains on sales of loans. For the three months ended March 31, 2025, the Bank earned \$1.8 million in premiums on loans sold, net of FASB 91 fees and costs.

The Bank's asset quality ratios remain adequate. At March 31, 2025, the loan portfolio had non-performing loans of \$15.9 million, or 1.84%, of total loans and 1.62% of total assets. The total allowance for credit losses at March 31, 2025, was \$9.1 million, or 1.05%, of total loans held for investment. The higher level of non-performing loans is mostly due to one legacy commercial real estate loan in the amount of \$7.1 million that went non-accrual during the quarter ended December 31, 2024. Management of the Bank has worked diligently to exit this borrowing relationship in April 2025 and expects to charge off approximately \$1.1 million of the loan balance next quarter.

About First Central Savings Bank

With assets of \$983.6 million at March 31, 2025, 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 office in Glen Cove, New York with an additional six branches throughout Queens New York, one branch in Nassau County, New York, and one branch in Suffolk County, 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>3/31/2025</u>	<u>12/31/2024</u>	<u>3/31/2024</u>
Assets			
Cash and cash equivalents	\$ 35,928	\$ 49,156	\$ 50,589
Certificates of deposit	3,000	2,000	2,000
Investments available-for-sale	30,085	29,802	41,791
Investments held-to-maturity	1,000	1,000	1,000
Loans held-for-sale	17,187	14,892	4,343
Loans receivable	866,999	838,183	832,644
Less: allowance for credit losses	(9,144)	(8,787)	(8,538)
Loans, net	<u>857,855</u>	<u>829,396</u>	<u>824,106</u>
Other assets	38,558	38,684	38,508
Total assets	<u><u>\$ 983,613</u></u>	<u><u>\$ 964,930</u></u>	<u><u>\$ 962,337</u></u>
Liabilities and stockholders' equity			
Deposits	\$ 850,632	\$ 829,003	\$ 845,142
FHLB advances and other borrowings	25,000	30,000	14,500
Other liabilities	18,125	18,568	18,009
Total liabilities	<u>893,757</u>	<u>877,571</u>	<u>877,651</u>
Total stockholders' equity	<u>89,856</u>	<u>87,359</u>	<u>84,686</u>
Total liabilities and stockholders' equity	<u><u>\$ 983,613</u></u>	<u><u>\$ 964,930</u></u>	<u><u>\$ 962,337</u></u>

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

	<u>Quarter Ended</u> <u>3/31/2025</u>	<u>Quarter Ended</u> <u>3/31/2024</u>
Total Interest income	\$ 14,279	\$ 14,185
Total interest expense	<u>6,970</u>	<u>7,658</u>
Net interest income	7,309	6,527
Provision for credit losses	<u>93</u>	<u>190</u>
Net interest income after provision for credit losses	7,216	6,337
Net gain on loans sold	1,790	1,421
Other non-interest income	<u>223</u>	<u>240</u>
Total non-interest income	2,013	1,661
Compensation and benefits	4,022	3,747
Occupancy and equipment	968	906
Data processing	482	444
Federal insurance premium	183	165
Professional fees	335	329
Other	<u>992</u>	<u>869</u>
Total non-interest expense	6,982	6,460
Income before income taxes	2,247	1,538
Income tax expense	<u>459</u>	<u>310</u>
Net income	<u>\$ 1,788</u>	<u>\$ 1,228</u>
Basic earnings per share-GAAP basis	\$ 0.17	\$ 0.12
Diluted earnings per share-GAAP basis	\$ 0.17	\$ 0.12
Supplementary information:		
Net income	\$ 1,788	\$ 1,228
Add back non-cash items		
Provision for credit losses	93	190
Depreciation expense	266	253
Tax on add back of non-cash items	<u>(73)</u>	<u>(89)</u>
Cash net income	<u>\$ 2,074</u>	<u>\$ 1,582</u>
Basic earnings per share-GAAP basis	\$ 0.19	\$ 0.15
Diluted earnings per share-GAAP basis	\$ 0.19	\$ 0.15

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

	Quarter Ended 3/31/2025	Quarter Ended 12/31/2024	Quarter Ended 9/30/2024	Quarter Ended 6/30/2024
Total Interest income	\$ 14,279	\$ 14,599	\$ 14,972	\$ 14,854
Total interest expense	6,970	7,673	8,210	8,064
Net interest income	<u>7,309</u>	<u>6,926</u>	<u>6,762</u>	<u>6,790</u>
Provision for credit losses	93	1	950	117
Net interest income after provision for credit losses	<u>7,216</u>	<u>6,925</u>	<u>5,812</u>	<u>6,673</u>
Net gain on loans sold	1,790	2,649	1,536	843
Net gains on sale of securities	-	-	142	-
Other non-interest income	223	247	210	337
Total non-interest income	<u>2,013</u>	<u>2,896</u>	<u>1,888</u>	<u>1,180</u>
Compensation and benefits	4,022	4,355	3,663	3,596
Occupancy and equipment	968	912	936	918
Data processing	482	454	448	452
Federal insurance premium	183	161	174	166
Professional fees	335	291	360	368
Other	992	1,116	975	907
Total non-interest expense	<u>6,982</u>	<u>7,289</u>	<u>6,556</u>	<u>6,407</u>
Income before income taxes	2,247	2,532	1,144	1,446
Income tax expense	459	524	225	290
Net income	<u>\$ 1,788</u>	<u>\$ 2,008</u>	<u>\$ 919</u>	<u>\$ 1,156</u>
Basic earnings per share-GAAP basis	\$ 0.17	\$ 0.19	\$ 0.09	\$ 0.11
Diluted earnings per share-GAAP basis	\$ 0.17	\$ 0.19	\$ 0.09	\$ 0.11
Supplementary information:				
Net income	\$ 1,788	\$ 2,008	\$ 919	\$ 1,156
Add back non-cash items				
Provision for credit losses	93	1	950	117
Depreciation expense	266	261	260	257
Tax on add back of non-cash items	(73)	(54)	(238)	(75)
Cash net income	<u>\$ 2,074</u>	<u>\$ 2,216</u>	<u>\$ 1,891</u>	<u>\$ 1,455</u>
Basic earnings per share-GAAP basis	\$ 0.19	\$ 0.21	\$ 0.18	\$ 0.14
Diluted earnings per share-GAAP basis	\$ 0.19	\$ 0.21	\$ 0.18	\$ 0.14

First Central Savings Bank

Selected Financial Data - (unaudited)

(dollars in thousands, except per share data)

	<u>Quarter Ended</u> <u>3/31/2025</u>	<u>Quarter Ended</u> <u>12/31/2024</u>	<u>Quarter Ended</u> <u>9/30/2024</u>	<u>Quarter Ended</u> <u>3/31/2024</u>
Asset quality:				
Allowance for credit losses	\$ 9,144	\$ 8,787	\$ 8,895	\$ 8,538
Allowance for credit losses to total loans (1)	1.05%	1.05%	1.11%	1.03%
Non-performing loans	\$ 15,940	\$ 11,649	\$ 4,850	\$ 4,917
Net (recovery) charge-off dollars	(92)	(41)	776	(2)
Non-performing loans/total loans (1)	1.84%	1.39%	0.61%	0.59%
Non-performing loans/total assets	1.62%	1.21%	0.49%	0.51%
Allowance for credit losses/non-performing loans	57.37%	75.43%	183.40%	173.64%
Capital: (dollars in thousands)				
Tier 1 capital	\$ 93,664	\$ 91,913	\$ 91,502	\$ 89,427
Tier 1 leverage ratio	9.62%	9.36%	9.26%	9.23%
Common equity tier 1 capital ratio	13.40%	13.42%	13.20%	13.32%
Tier 1 risk based capital ratio	13.40%	13.42%	13.20%	13.32%
Total risk based capital ratio	14.65%	14.67%	14.45%	14.57%
Equity data				
Common shares outstanding	10,648,345	10,648,345	10,648,345	10,648,345
Stockholders' equity	\$ 89,856	\$ 87,359	\$ 87,852	\$ 84,686
Book value per common share	8.44	8.20	8.25	7.95
Tangible common equity	89,856	87,359	87,852	84,686
Tangible book value per common share	8.44	8.20	8.25	7.95

(1) Calculation excludes loans held-for-sale

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

	<u>Quarter Ended</u> <u>3/31/2025</u>	<u>Quarter Ended</u> <u>12/31/2024</u>	<u>Quarter Ended</u> <u>9/30/2024</u>	<u>Quarter Ended</u> <u>3/31/2024</u>
Other: (in thousands)				
Average interest-earning assets	\$ 946,854	\$ 956,169	\$ 961,624	\$ 941,314
Average interest-bearing liabilities	720,391	736,731	759,152	754,689
Average deposits and borrowings	861,096	868,871	877,100	860,638
Profitability:				
Return on average assets	0.75%	0.82%	0.37% (3)	0.51%
Return on average equity	8.21%	9.08%	4.22% (3)	5.89%
Yield on average interest earning assets	6.12%	6.07%	6.19%	6.06%
Cost of average interest bearing liabilities	3.92%	4.14%	4.30%	4.08%
Cost of funds	3.28%	3.51%	3.72%	3.58%
Net interest rate spread (1)	2.19%	1.93%	1.89%	1.98%
Net interest margin (2)	3.13%	2.88%	2.80%	2.79%
Non-interest expense to average assets	2.92%	2.97%	2.65%	2.70%
Efficiency ratio	74.80%	74.21%	77.05%	78.90%

(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

(3) ROA and ROE excluding a \$776 thousand charge-off of a C&I loan as of September 30, 2024 would have been 0.61% and 6.95%