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First Central Savings Bank Reports Fourth Quarter 2024 net income of \$2.0 million (\$0.19 EPS), Significant Non-Interest Income Growth Quarter over Quarter, and Special Cash Dividend of \$0.15 per share.

Performance Highlights

- **Net Income:** Net income for the quarter ended December 31, 2024, was \$2.0 million or \$0.19 per share, compared to \$919 thousand or \$0.09 per share, recorded in the prior linked quarter and \$1.3 million or \$0.12 per share, in the comparable 2023 quarter.
- **Cash Net Income:** Cash net income for the quarter ended December 31, 2024, was \$2.2 million or \$0.21 per share, compared to \$1.9 million or \$0.18 per share, recorded in the prior quarter and \$1.5 million or \$0.14 per share, in the comparable 2023 quarter
- **Significant Non-Interest Income Growth:** Due to an increase in loan sale volume and loan sale premiums received for the quarter ended December 31, 2024, non-interest income increased by \$1.0 million or 53.4% from the prior linked quarter and were up \$1.5 million or 106.6% from the prior year quarter.
- **Net Interest Income:** The Bank recorded net interest income of \$6.9 million for the quarter ended December 31, 2024, compared to \$6.8 million in the prior linked quarter and \$6.8 million in the comparable 2023 quarter.
- **Net Interest Margin:** The Bank's net interest margin increased during the quarter ended December 31, 2024, to 2.88% from 2.80% in the quarter ended September 30, 2024.
- **Financial Performance Metrics:** Return on average assets and average stockholders' equity were 0.82% and 9.08%, respectively, for the quarter ended December 31, 2024, compared to 0.37% and 4.22% on linked quarter basis.
- **Regulatory Capital:** The Bank's Tier 1 capital ratio was 9.36% and the Total Risk based capital ratio was 14.67% at December 31, 2024, each above the regulatory minimum for a well-capitalized institution.
- **Special Cash Dividend:** The Bank declared a special cash dividend of \$0.15 per share to the Bank's shareholders.
- **Strong and Stable Liquidity:** The Uninsured deposits base remains stable at 18.15% of total deposits. The Bank has significant available funding capacity to provide 236.2% coverage of our uninsured deposits.

Glen Cove, N.Y. – January 28, 2025 – Joseph Pistilli, Chairman of the Board, of First Central Savings Bank (“FCSB”, “the Bank”) today reported continued performance achievements for the quarter ended December 31, 2024.

Cash and GAAP Basis Earnings

The Bank's cash earnings were \$2.2 million, or \$0.21 per share, for the quarter ended December 31, 2024, which represents an increase of \$325 thousand, or 17.2%, on a linked quarter basis and an increase of \$766 thousand, or 52.8%, from the prior year quarter ended December 31, 2023.

On a GAAP basis, net income for the quarter ended December 31, 2024, was \$2.0 million, or \$0.19 per share, compared with net income of \$919 thousand, or \$0.09, from the prior linked quarter basis and net income of \$1.3 million, or \$0.12 per share, for the quarter ended December 31, 2023.



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Joseph Pistilli, Chairman of the Board noted, "In the fourth quarter of 2024, First Central continued to build shareholder value by generating strong earnings, primarily due to gains on non-conforming residential loan sales. In addition, we increased our book value from \$7.88 per share at December 31, 2023, to \$8.20 at December 31, 2024. Due to strong earnings and capital, I am pleased to report that in December 2024 we have once again declared a special cash dividend of \$0.15 per share to our shareholders, up from \$0.10 per share in the prior year period. 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 lending, however, 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 December 31, 2024, additional overnight rate cuts from the Federal Reserve enabled the Bank to expand its net interest income and margin. The cost of funds declined by 21 basis points during the fourth quarter of 2024 and we expect additional decreases in our deposit costs going forward. The pace of future deposit cost reductions will be dependent 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

Total assets as of December 31, 2024, were \$964.9 million compared to \$963.5 million as of December 31, 2023. The slight increase in total assets was primarily driven by the Bank's loan originations offset by non-conforming loan sales of \$213.6 million during 2024. Total assets for the quarter ended December 31, 2024, decreased by \$23.0 million to \$964.9 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 a quarterly record of \$84.4 million of non-conforming loans during the quarter. As of December 31, 2024, the Bank has been able to generate a non-conforming loan pipeline of \$145.3 million with a weighted average interest rate of 7.02%.

Total deposits were \$829.0 million as of December 31, 2024, an increase of \$12.7 million, or 1.6% from December 31, 2023. 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 \$23.6 million or 22.5% to \$128.8 million as of December 31, 2024, representing 15.5% of the total deposit base. With the growth of the deposit base, total borrowings as of December 31, 2024, decreased by \$15.0 million or 33.3% to \$30.0 million when compared to December 31, 2023.

The Bank's overall average cost of funds was 3.51% for the quarter ended December 31, 2024, a decrease of 21 basis points from 3.72% from the prior linked quarter. Three Overnight rate cuts by the Federal Reserve totaling 100 bps contributed to the reduction in the cost of funds. 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 December 31, 2024, the Bank's loan portfolio grew by \$17.7 million, or 2.1%, 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 \$274.2 million. At December 31, 2024, the entire non-conforming loan portfolio amounted to \$464.6 million, with an average loan balance of \$553 thousand and a weighted average loan-to-value ratio of 62.8%.

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 twelve months ended December 31, 2024, the Bank earned \$6.4 million in premiums on loans sold, net of FASB 91 fees and costs.

The Bank's asset quality ratios remained strong. At December 31, 2024, the loan portfolio had non-performing loans of \$11.6 million or 1.39% of total loans and 1.21% of total assets. The total allowance for credit losses at December 31, 2024, was \$8.8 million, or 1.05% of total loans held for investment.

About First Central Savings Bank

With assets of \$964.9 million at December 31, 2024, 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>12/31/2024</u>	<u>9/30/2024</u>	<u>12/31/2023</u>
Assets			
Cash and cash equivalents	\$ 49,156	\$ 40,701	\$ 50,955
Certificates of deposit	2,000	2,000	2,000
Investments available-for-sale	29,802	31,679	43,057
Investments held-to-maturity	1,000	1,000	1,000
Loans held-for-sale	14,892	83,613	8,126
Loans receivable	838,183	799,076	827,278
Less: allowance for credit losses	(8,787)	(8,895)	(8,347)
Loans, net	<u>829,396</u>	<u>790,181</u>	<u>818,931</u>
Other assets	38,684	38,745	39,466
Total assets	<u><u>\$ 964,930</u></u>	<u><u>\$ 987,919</u></u>	<u><u>\$ 963,535</u></u>
Liabilities and stockholders' equity			
Deposits	\$ 829,003	\$ 851,646	\$ 816,285
FHLB advances and other borrowings	30,000	30,000	45,000
Other liabilities	18,568	18,421	18,318
Total liabilities	<u>877,571</u>	<u>900,067</u>	<u>879,603</u>
Total stockholders' equity	<u>87,359</u>	<u>87,852</u>	<u>83,932</u>
Total liabilities and stockholders' equity	<u><u>\$ 964,930</u></u>	<u><u>\$ 987,919</u></u>	<u><u>\$ 963,535</u></u>

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

	<u>Quarter Ended</u> <u>12/31/2024</u>	<u>Quarter Ended</u> <u>12/31/2023</u>	<u>12 Months</u> <u>Ended</u> <u>12/31/2024</u>	<u>12 Months</u> <u>Ended</u> <u>12/31/2023</u>
Total Interest income	\$ 14,599	\$ 13,767	\$ 58,610	\$ 53,465
Total interest expense	7,673	6,991	31,605	23,466
Net interest income	<u>6,926</u>	<u>6,776</u>	<u>27,005</u>	<u>29,999</u>
Provision (recovery) for credit losses	1	(11)	1,258	539
Net interest income after (recovery) provision for credit losses	<u>6,925</u>	<u>6,787</u>	<u>25,747</u>	<u>29,460</u>
Net gain on loans sold	2,649	1,023	6,449	3,738
Net gains on sale of securities	-	109	142	109
Other non-interest income	247	270	1,034	1,253
Total non-interest income	<u>2,896</u>	<u>1,402</u>	<u>7,625</u>	<u>5,100</u>
Compensation and benefits	4,355	3,882	15,361	14,108
Occupancy and equipment	912	894	3,672	3,811
Data processing	454	416	1,798	1,658
Federal insurance premium	161	139	666	672
Professional fees	291	301	1,348	1,711
Other	1,116	986	3,867	3,618
Total non-interest expense	<u>7,289</u>	<u>6,618</u>	<u>26,712</u>	<u>25,578</u>
Income before income taxes	<u>2,532</u>	<u>1,571</u>	<u>6,660</u>	<u>8,982</u>
Income tax expense	524	318	1,349	1,847
Net income	<u>\$ 2,008</u>	<u>\$ 1,253</u>	<u>\$ 5,311</u>	<u>\$ 7,135</u>
Basic earnings per share-GAAP basis	\$ 0.19	\$ 0.12	\$ 0.50	\$ 0.67
Diluted earnings per share-GAAP basis	\$ 0.19	\$ 0.12	\$ 0.50	\$ 0.67
Supplementary information:				
Net income	\$ 2,008	\$ 1,253	\$ 5,311	\$ 7,135
Add back non-cash items				
Provision (recovery) for credit losses	1	(11)	1,258	539
Depreciation expense	261	258	1,031	1,027
Tax on add back of non-cash items	(54)	(50)	(464)	(322)
Cash net income	<u>\$ 2,216</u>	<u>\$ 1,450</u>	<u>\$ 7,136</u>	<u>\$ 8,379</u>
Basic earnings per share-GAAP basis	\$ 0.21	\$ 0.14	\$ 0.67	\$ 0.79
Diluted earnings per share-GAAP basis	\$ 0.21	\$ 0.14	\$ 0.67	\$ 0.79

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

	Quarter Ended 12/31/2024	Quarter Ended 9/30/2024	Quarter Ended 6/30/2024	Quarter Ended 3/31/2024
Total Interest income	\$ 14,599	\$ 14,972	\$ 14,854	\$ 14,185
Total interest expense	7,673	8,210	8,064	7,658
Net interest income	6,926	6,762	6,790	6,527
Provision for credit losses	1	950	117	190
Net interest income after provision for credit losses	6,925	5,812	6,673	6,337
Net gain on loans sold	2,649	1,536	843	1,421
Net gains on sale of securities	-	142	-	-
Other non-interest income	247	210	337	240
Total non-interest income	2,896	1,888	1,180	1,661
Compensation and benefits	4,355	3,663	3,596	3,747
Occupancy and equipment	912	936	918	906
Data processing	454	448	452	444
Federal insurance premium	161	174	166	165
Professional fees	291	360	368	329
Other	1,116	975	907	869
Total non-interest expense	7,289	6,556	6,407	6,460
Income before income taxes	2,532	1,144	1,446	1,538
Income tax expense	524	225	290	310
Net income	<u>\$ 2,008</u>	<u>\$ 919</u>	<u>\$ 1,156</u>	<u>\$ 1,228</u>
Basic earnings per share-GAAP basis	\$ 0.19	\$ 0.09	\$ 0.11	\$ 0.12
Diluted earnings per share-GAAP basis	\$ 0.19	\$ 0.09	\$ 0.11	\$ 0.12
Supplementary information:				
Net income	\$ 2,008	\$ 919	\$ 1,156	\$ 1,228
Add back non-cash items				
Provision for credit losses	1	950	117	190
Depreciation expense	261	260	257	253
Tax on add back of non-cash items	(54)	(238)	(75)	(89)
Cash net income	<u>\$ 2,216</u>	<u>\$ 1,891</u>	<u>\$ 1,455</u>	<u>\$ 1,582</u>
Basic earnings per share-GAAP basis	\$ 0.21	\$ 0.18	\$ 0.14	\$ 0.15
Diluted earnings per share-GAAP basis	\$ 0.21	\$ 0.18	\$ 0.14	\$ 0.15

First Central Savings Bank

Selected Financial Data - (unaudited)

(dollars in thousands, except per share data)

	<u>Quarter Ended</u> <u>12/31/2024</u>	<u>Quarter Ended</u> <u>9/30/2024</u>	<u>Quarter Ended</u> <u>6/30/2024</u>	<u>Quarter Ended</u> <u>12/31/2023</u>
Asset quality:				
Allowance for credit losses	\$ 8,787	\$ 8,895	\$ 8,721	\$ 8,347
Allowance for credit losses to total loans (1)	1.05%	1.11%	1.04%	1.01%
Non-performing loans	\$ 11,649	\$ 4,850	\$ 4,907	\$ 4,385
Net (recovery) charge-off dollars	(41)	776	(66)	(129)
Non-performing loans/total loans (1)	1.39%	0.61%	0.58%	0.53%
Non-performing loans/total assets	1.21%	0.49%	0.50%	0.46%
Allowance for credit losses/non-performing loans	75.43%	183.40%	177.73%	190.35%
Capital: (dollars in thousands)				
Tier 1 capital	\$ 91,913	\$ 91,502	\$ 90,583	\$ 88,236
Tier 1 leverage ratio	9.36%	9.26%	9.16%	9.23%
Common equity tier 1 capital ratio	13.42%	13.20%	13.35%	13.19%
Tier 1 risk based capital ratio	13.42%	13.20%	13.35%	13.19%
Total risk based capital ratio	14.67%	14.45%	14.60%	14.44%
Equity data				
Common shares outstanding	10,648,345	10,648,345	10,648,345	10,648,345
Stockholders' equity	\$ 87,359	\$ 87,852	\$ 86,122	\$ 83,932
Book value per common share	8.20	8.25	8.09	7.88
Tangible common equity	87,359	87,852	86,122	83,932
Tangible book value per common share	8.20	8.25	8.09	7.88

(1) Calculation excludes loans held-for-sale

First Central Savings Bank

Selected Financial Data - (unaudited)

(dollars in thousands)

	<u>Quarter Ended</u> <u>12/31/2024</u>	<u>Quarter Ended</u> <u>9/30/2024</u>	<u>Quarter Ended</u> <u>6/30/2024</u>	<u>Quarter Ended</u> <u>12/31/2023</u>
Other: (in thousands)				
Average interest-earning assets	\$ 956,169	\$ 961,624	\$ 961,503	\$ 928,162
Average interest-bearing liabilities	736,731	759,152	765,606	740,574
Average deposits and borrowings	868,871	877,100	879,082	846,091
Profitability:				
Return on average assets	0.82%	0.37% (3)	0.47%	0.52%
Return on average equity	9.08%	4.22% (3)	5.48%	6.07%
Yield on average interest earning assets	6.07%	6.19%	6.21%	5.88%
Cost of average interest bearing liabilities	4.14%	4.30%	4.24%	3.75%
Cost of funds	3.51%	3.72%	3.69%	3.28%
Net interest rate spread (1)	1.93%	1.89%	1.98%	2.14%
Net interest margin (2)	2.88%	2.80%	2.84%	2.90%
Non-interest expense to average assets	2.91%	2.65%	2.62%	2.78%
Efficiency ratio	72.69%	77.05%	80.40%	82.46%

(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%