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**First Central Savings Bank Reports First Quarter 2023 Results Highlighted by Net Income of \$1.8 million,
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, 2023, was \$1.8 million or \$0.17 per share, compared to \$3.7 million or \$0.35 per share recorded in the prior year quarter ended March 31, 2022. Cash earnings for the quarter ended March 31, 2023, were \$2.4 million, or \$0.22 per share, a decrease of \$3.1 million, or 56.4%, from \$5.5 million, or \$0.51 per share, for the prior year quarter.
- **Financial Performance Metrics:** Return on average assets and average stockholders' equity were 0.80% and 9.28%, respectively, for the quarter ended March 31, 2023, compared to 1.91% and 20.35%, respectively, for the prior year quarter.
- **Balance Sheet Growth:** Assets totaled \$956.4 million at March 31, 2023, up \$52.4 million, or 5.8%, from December 31, 2022, and up \$150.4 million, or 18.7%, from March 31, 2022, primarily due to loan growth.
- **Continued Capital Strength:** The Bank's Tier 1 capital ratio was 9.14% and the Total Risk based capital ratio was 13.64% at March 31, 2023, each above the regulatory minimum for a well-capitalized institution.
- **Loan Growth:** At March 31, 2023, total loans outstanding were \$808.6 million representing 84.6% of total assets, up \$129.7 million, or 19.1%, from March 31, 2022, and up \$61.5 million, or 8.2%, from December 31, 2022.
- **Net Interest Income Growth:** The Bank recorded net interest income of \$7.9 million for the quarter ended March 31, 2023, an increase of \$189 thousand, or 2.5%, from the quarter ended March 31, 2022, and a decrease of \$319 thousand, or 3.9%, on a linked quarter basis.
- **Excellent Asset Quality:** At March 31, 2023, the Bank's asset quality was strong with 0.39% 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 3.62% and 3.08%, respectively.

Glen Cove, N.Y. – April 26, 2023 – 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, 2023, highlighted by the Bank's strong loan growth, continued operating and cash earnings, and excellent assets quality.

Cash and GAAP Basis Earnings

The Bank's cash earnings were \$2.4 million, or \$0.22 per share, for the quarter ended March 31, 2023, which represents a decrease of \$3.1 million, or 56.4% from the quarter ended March 31, 2022. On a GAAP basis, net income for the quarter ended March 31, 2023, was \$1.8 million, or \$0.17 per share, compared with net income of \$3.7 million, or \$0.35 per share, for the quarter ended March 31, 2022. The decrease in net income was due to lower levels of loan sales which reduced net gain on sales of loan income. Management made a decision to portfolio adjustable-rate mortgage loans to improve long-term interest income and interest rate risk.

Joseph Pistilli, Chairman of the Board noted, “In the first quarter of 2023, First Central continued to build shareholder value by delivering strong loan growth and continued earnings. We continue to enhance shareholder value with an increase in our book value from \$6.95 per share at March 31, 2022, to \$7.44 at March 31, 2023, an increase of \$0.49 or 7.1%. 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, “Management continues to execute its growth strategy that continues to build capital and support loan growth. During the quarter ended March 31, 2023, we continued to see an increase in interest rates that put pressure on our net interest margin and spread. We expect the remainder of calendar year 2023 to continue to be challenging with expected interest expense increases, however we believe our net interest margin and spread will improve once the rate hikes from the Federal Reserve abate and begin to decline. Management remains committed to managing non-interest expenses to maintain earnings during the current rising interest rate environment and a very competitive deposit rate market.”

Balance Sheet Growth

Total assets for the quarter ended March 31, 2023, increased by \$52.4 million to \$956.4 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 \$150.4 million, or 18.7%, driven by the Bank’s robust loan originations offset by non-conforming loan sales. As of March 31, 2023, the Bank has been able to generate a non-conforming loan pipeline of \$64.1million and commercial loan pipeline of \$28.0 million with weighted average interest rates of 7.84% and 7.41%.

Funding for asset growth during the quarter was primarily derived from retail deposits and borrowings from the Federal Home Loan Bank-NY, (“FHLB-NY”). On a year-over-year basis, total deposits grew by \$111.1 million, or 15.9%, as the Bank continues to grow deposits through its retail branches. The Bank has also been successful in maintaining the non-interest-bearing deposits through non-conforming loan originations and the retail branches. As of March 31, 2023, total non-interest-bearing deposits were \$123.2 million or 15.2% of total deposits. In addition to deposit growth, the Bank has used short-term borrowings from FHLB-NY to fund loan growth during the quarter. Total borrowings for the quarter ended March 31, 2023, were \$50 million.

The Bank’s overall average cost of funds was 2.23% for the quarter ended March 31, 2023, an increase of fifty-four basis points from 1.69% from the prior linked quarter. Management continues to be pro-active in securing certificates of deposit in the current rising interest rate environment to better position the interest-rate-risk profile of the Bank in anticipation of higher rates in the months to come. Management believes this strategy will better protect and enhance future earnings during the current rising interest rate cycle.

Loan Portfolio and Asset Quality

For the twelve-month period ended March 31, 2023, the Bank’s loan portfolio grew by \$129.7 million, or 19.1%, 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 \$362.3 million. At March 31, 2023, the entire non-conforming loan portfolio amounted to \$425.3 million, with an average loan balance of \$576 thousand and a weighted average loan-to-value ratio of 61.5%.

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. As of March 31, 2023, the Bank has a \$64.1 million non-conforming pipeline with a

weighted average interest rate of 7.84%. Due to the strong pipeline, 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 sale of loans. For the three months ended March 31, 2023, the Bank earned \$460 thousand in premiums on loans sold net of FASB 91 fees and costs.

The Bank's asset quality ratios remained strong. At March 31, 2023, the loan portfolio had non-performing loans of \$3.1 million or 0.39% of total loans and 0.33% of total assets. During the quarter ended March 31, 2023, the Bank recorded a provision of \$335 thousand. The total allowance for loan losses at March 31, 2023, was \$8.1 million, or 1.01% of total loans. The January 1, 2023, CECL adoption impact was an \$185 thousand increase in allowance for loan losses.

Strong Net Interest Margin

The Bank's net interest margin remained strong for the quarter ended March 31, 2023, at 3.62% due to the continued origination of non-conforming loans at above market rates, prepayment penalties and loan fees of \$330 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 is continuing to evaluate new retail branch locations to fund its deposit and loan growth.

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.

About First Central Savings Bank

With assets of \$956.4 million at March 31, 2023, 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 and 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>3/31/2023</u> | <u>12/31/2022</u> | <u>3/31/2022</u> |
|---------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 67,130 | \$ 76,351 | \$ 46,706 |
| Investments Available for Sale | 44,905 | 45,319 | 46,264 |
| Investments Held to Maturity | 2,008 | 2,008 | 1,000 |
| Loans held for sale | 675 | 3,052 | 14,852 |
| Loans receivable | 807,966 | 744,084 | 664,139 |
| Less: allowance for loan losses | (8,148) | (7,626) | (7,102) |
| Loans, net | <u>799,818</u> | <u>736,458</u> | <u>657,037</u> |
| Other assets | 41,834 | 40,808 | 40,126 |
| Total Assets | <u><u>\$ 956,370</u></u> | <u><u>\$ 903,996</u></u> | <u><u>\$ 805,985</u></u> |
| Liabilities and Shareholders Equity | | | |
| Total Deposits | \$ 809,268 | \$ 794,180 | \$ 698,129 |
| FHLB Advances | 50,000 | 15,000 | 15,000 |
| Other Liabilities | 17,844 | 17,415 | 18,817 |
| Total Liabilities | <u>877,112</u> | <u>826,595</u> | <u>731,946</u> |
| Total Shareholders' Equity | <u>79,258</u> | <u>77,401</u> | <u>74,039</u> |
| Total Liabilities and Shareholders' Equity | <u><u>\$ 956,370</u></u> | <u><u>\$ 903,996</u></u> | <u><u>\$ 805,985</u></u> |

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

| | <u>Quarter Ended</u> <u>3/31/2023</u> | <u>Quarter Ended</u> <u>3/31/2022</u> |
|----------------------------------------------------------|------------------------------------------|------------------------------------------|
| Total Interest income | \$ 12,362 | \$ 8,600 |
| Total interest expense | 4,476 | 903 |
| Net interest income | <u>7,886</u> | <u>7,697</u> |
| Provision for loan losses | 335 | 600 |
| Net interest income after provision for loan loss | <u>7,551</u> | <u>7,097</u> |
| Net gain on loans sold | 460 | 2,856 |
| Other non-interest income | 278 | 211 |
| Total non-interest income | <u>738</u> | <u>3,067</u> |
| Compensation and benefits | 3,244 | 2,858 |
| Occupancy and Equipment | 1,007 | 869 |
| Data processing | 383 | 425 |
| Federal insurance premium | 160 | 90 |
| Professional fees | 407 | 389 |
| Other | 833 | 832 |
| Total non-interest expense | <u>6,034</u> | <u>5,463</u> |
| Income before income taxes | 2,255 | 4,701 |
| Income tax expense | 464 | 983 |
| Net income | <u>\$ 1,791</u> | <u>\$ 3,718</u> |
| Basic Earnings per Share-GAAP basis | \$ 0.17 | \$ 0.35 |
| Diluted Earnings per Share-GAAP basis | \$ 0.17 | \$ 0.35 |
| Supplementary Information: | | |
| Net Income | \$ 1,791 | \$ 3,718 |
| Add Back non-cash charges | | |
| Provision for loan losses | 335 | 600 |
| Depreciation expense | 257 | 173 |
| Provision for federal income taxes | - | 974 |
| Cash Net income | <u>\$ 2,383</u> | <u>\$ 5,465</u> |
| Basic Earnings per Share-GAAP basis | \$ 0.22 | \$ 0.51 |
| Diluted Earnings per Share-GAAP basis | \$ 0.22 | \$ 0.51 |

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

| | Quarter Ended 3/31/2023 | Quarter Ended 12/31/2022 | Quarter Ended 9/30/2022 | Quarter Ended 6/30/2022 |
|----------------------------------------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| Total Interest income | \$ 12,362 | \$ 11,539 | \$ 10,420 | \$ 8,922 |
| Total interest expense | 4,476 | 3,334 | 2,062 | 1,084 |
| Net interest income | 7,886 | 8,205 | 8,358 | 7,838 |
| Provision for loan losses | 335 | 50 | 1,514 | 400 |
| Net interest income after provision for loan loss | 7,551 | 8,155 | 6,844 | 7,438 |
| Net gain on loans sold | 460 | 882 | 369 | 300 |
| Other non-interest income | 278 | 225 | 416 | 190 |
| Total non-interest income | 738 | 1,107 | 785 | 490 |
| Compensation and benefits | 3,244 | 3,758 | 3,407 | 2,807 |
| Occupancy and Equipment | 1,007 | 1,053 | 883 | 882 |
| Data processing | 383 | 375 | 372 | 415 |
| Federal insurance premium | 160 | 150 | 135 | 95 |
| Professional fees | 407 | 342 | 324 | 368 |
| Other | 833 | 887 | 801 | 820 |
| Total non-interest expense | 6,034 | 6,565 | 5,922 | 5,387 |
| Income before income taxes | 2,255 | 2,697 | 1,707 | 2,541 |
| Income tax expense | 464 | 560 | 348 | 525 |
| Net income | \$ 1,791 | \$ 2,137 | \$ 1,359 | \$ 2,016 |
| Basic Earnings per Share-GAAP basis | \$ 0.17 | \$ 0.20 | \$ 0.13 | \$ 0.19 |
| Diluted Earnings per Share-GAAP basis | \$ 0.17 | \$ 0.20 | \$ 0.13 | \$ 0.19 |
| Supplementary Information: | | | | |
| Net Income | \$ 1,791 | \$ 2,137 | \$ 1,359 | \$ 2,016 |
| Add Back non-cash charges | | | | |
| Provision for loan losses | 335 | 50 | 1,514 | 400 |
| Depreciation expense | 257 | 247 | 182 | 184 |
| Provision for federal income taxes | - | - | - | - |
| Cash Net income | \$ 2,383 | \$ 2,434 | \$ 3,055 | \$ 2,600 |
| Basic Earnings per Share-GAAP basis | \$ 0.22 | \$ 0.23 | \$ 0.29 | \$ 0.24 |
| Diluted Earnings per Share-GAAP basis | \$ 0.22 | \$ 0.23 | \$ 0.29 | \$ 0.24 |

First Central Savings Bank

Selected Financial Data - (unaudited)

(dollars in thousands, except per share data)

| | Quarter Ended 3/31/2023 | Quarter Ended 12/31/2022 | Quarter Ended 9/30/2022 | Quarter Ended 3/31/2022 |
|------------------------------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| Asset Quality: | | | | |
| Allowance for Loan Losses (1) | \$ 8,148 | \$ 7,626 | \$ 7,587 | \$ 7,102 |
| Allowance for Loan Losses to Total Loans (1) | 1.01% | 1.02% | 1.01% | 1.07% |
| Non-Performing Loans | \$ 3,134 | \$ 3,134 | \$ 4,583 | \$ 3,163 |
| Non-Performing Loans/Total Loans | 0.39% | 0.42% | 0.61% | 0.48% |
| Non-Performing Loans/Total Assets | 0.33% | 0.35% | 0.52% | 0.39% |
| Allowance for Loan Losses/Non-Performing Loans | 259.99% | 243.33% | 165.54% | 224.57% |
| Capital: (dollars in thousands) | | | | |
| Tier 1 Capital | \$ 83,414 | \$ 81,651 | \$ 78,948 | \$ 73,997 |
| Tier 1 Leverage Ratio | 9.14% | 9.24% | 9.08% | 9.51% |
| Common Equity Tier 1 Capital Ratio | 12.40% | 12.96% | 12.45% | 13.21% |
| Tier 1 Risk Based Capital Ratio | 12.40% | 12.96% | 12.45% | 13.21% |
| Total Risk Based Capital Ratio | 13.64% | 14.20% | 13.67% | 14.46% |
| Equity Data | | | | |
| Common shares outstanding | 10,648,345 | 10,648,345 | 10,648,345 | 10,648,345 |
| Stockholders' equity | \$ 79,258 | \$ 77,401 | \$ 74,450 | \$ 74,039 |
| Book value per common share | 7.44 | 7.27 | 6.99 | 6.95 |
| Tangible common equity | 79,258 | 77,401 | 74,450 | 74,039 |
| Tangible book value per common share | 7.44 | 7.27 | 6.99 | 6.95 |

(1) Calculation excludes loans held for sale

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

| | <u>Quarter Ended</u> <u>3/31/2023</u> | <u>Quarter Ended</u> <u>12/31/2022</u> | <u>Quarter Ended</u> <u>9/30/2022</u> | <u>Quarter Ended</u> <u>3/31/2022</u> |
|----------------------------------------------|------------------------------------------|-------------------------------------------|------------------------------------------|------------------------------------------|
| Other: (in thousands) | | | | |
| Average Interest-Earning Assets | 884,446 | 853,239 | 838,838 | 753,211 |
| Average Interest-Bearing Liabilities | 701,425 | 672,168 | 658,365 | 570,814 |
| Average Deposits and Borrowings | 812,431 | 781,237 | 771,344 | 689,788 |
| Profitability: | | | | |
| Return on Average Assets | 0.80% | 0.97% | 0.70% | 1.91% |
| Return on Average Equity | 9.28% | 11.21% | 7.25% | 20.35% |
| Yield on Average Interest Earning Assets | 5.67% | 5.37% | 4.93% | 4.63% |
| Cost of Average Interest Bearing Liabilities | 2.59% | 1.97% | 1.26% | 0.65% |
| Cost of Funds | 2.23% | 1.69% | 1.06% | 0.53% |
| Net Interest Rate Spread (1) | 3.08% | 3.40% | 3.67% | 3.98% |
| Net Interest Margin (2) | 3.62% | 3.82% | 3.95% | 4.14% |
| Non-Interest Expense to Average Assets | 2.69% | 2.97% | 2.72% | 2.80% |
| Efficiency Ratio | 69.97% | 70.50% | 64.77% | 50.75% |

(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