

**FOR IMMEDIATE RELEASE**

Investor and Press Contact:

Joseph Pistilli Chairman of the Board

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

Paul Hagan, President & Chief Operating Officer

516-399-6071

**First Central Savings Bank Reports First Quarter 2024 Net Income of \$1.2 million (\$0.12 EPS), Strong Non-Interest Income and Stable Asset Quality**

**Performance Highlights**

- **Net Income and Cash Earnings:** Net income for the quarter ended March 31, 2024, was \$1.2 million or \$0.12 per share, compared to \$1.8 million or \$0.17 per share recorded in the prior year quarter ended March 31, 2023. Cash earnings for the quarter ended March 31, 2024, were \$1.7 million, or \$0.16 per share, a decrease of \$712 thousand, or 29.9%, from \$2.4 million, or \$0.22 per share, for the prior year quarter.
- **Financial Performance Metrics:** Return on average assets and average stockholders' equity were 0.51% and 5.89%, respectively, for the quarter ended March 31, 2024, compared to 0.52% and 6.07% for the quarter ended December 31, 2023.
- **Regulatory Capital:** The Bank's Tier 1 capital ratio was 9.23% and the Total Risk based capital ratio was 14.57% at March 31, 2024, each above the regulatory minimum for a well-capitalized institution.
- **Loan Growth:** At March 31, 2024, total loans outstanding were \$837.0 million representing 87.0% of total assets, up \$28.3 million, or 3.5%, from March 31, 2023.
- **Deposit Activity:** Core deposits increased by \$28.7 million or 3.7% compared to the prior year quarter while total deposits increased by \$35.9 million or 4.4% compared to the prior year quarter.
- **Strong and Stable Liquidity:** Uninsured deposits base remains stable at 18.5% of total deposits. The Bank has significant available funding capacity to provide 200% coverage of our uninsured deposits.
- **Net Interest Income:** The Bank recorded net interest income of \$6.5 million for the quarter ended March 31, 2024, a decrease of \$249 thousand on a linked quarter basis and a decrease of \$1.4 million, or 17.2%, from the quarter ended March 31, 2023.
- **Stable Asset Quality:** At March 31, 2024, the Bank's asset quality was strong with 0.59% non-performing loans to total loans compared to 0.53% in the prior quarter.
- **Net Interest Margin and Spread:** The Bank's net interest margin and spread for the current quarter was 2.79% and 1.98%, respectively.

Glen Cove, N.Y. – April 30, 2024 – 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, 2024.

**Cash and GAAP Basis Earnings**

The Bank's cash earnings were \$1.7 million, or \$0.16 per share, for the quarter ended March 31, 2024, which represents a decrease of \$712 thousand, or 29.9% from the quarter ended March 31, 2023. On a GAAP basis, net income for the quarter ended March 31, 2024, was \$1.2 million, or \$0.12 per share, compared with net income of \$1.8 million, or \$0.17 per share, for the quarter ended March 31, 2023.

Joseph Pistilli, Chairman of the Board noted, “In the first quarter of 2024, First Central continued to build shareholder value by generating positive earnings despite the continued higher interest rate environment. We continue to enhance shareholder value with an increase in our book value from \$7.44 per share at March 31, 2023, to \$7.95 at March 31, 2024, an increase of \$0.51 or 6.9%. A continued concern for FCSB and other banks is the current level of inflation, elevated interest rates, and credit quality. We are optimistic about the credit quality of our loan portfolio, as it continues to perform during these uncertain economic times. Our credit exposure to commercial real estate, specifically to office space and multi-family lending, is limited. We expect that the current inflationary environment will subside, and we will return to a more normal and predictable economic condition. We believe that any future interest rate increases have been tempered due to current monetary tightening in the US economy. We believe that any future interest rate reductions from the Federal Reserve will be a benefit to both the balance sheet and income statement of the Bank. 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 during the current market conditions.”

Paul Hagan, President and Chief Operating Officer, reflected on the Bank’s results, “During the quarter ended March 31, 2024, we continued to see elevated interest rates that put pressure on our net interest margin and spread. We expect the remainder of 2024 to be challenging if interest rates do not decline and we remain in a “higher for longer” interest rate environment. Despite the pressure on net interest income, we have continued to achieve positive financial performance by maintaining our loan sale income throughout the first quarter of 2024 to offset the decline in the net interest spread and margin. Management remains committed to managing non-interest expenses and non-interest income to maintain earnings during this higher interest rate environment and a very competitive deposit rate market.”

## **Balance Sheet**

On a year-over-year basis, total assets grew by \$6.0 million, or 0.6%, driven by the Bank’s loan originations offset by non-conforming loan sales of \$45.1 million. Total assets for the quarter ended March 31, 2024, decreased by \$1.2 million to \$962.3 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. As of March 31, 2024, the Bank has been able to generate a non-conforming loan pipeline of \$43.5 million and commercial loan pipeline of \$12.5 million with weighted average interest rates of 7.45% and 9.93%, respectively.

On a year-over-year basis, total deposits grew by \$35.9 million, or 4.4%, 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, 2024, total non-interest-bearing deposits were \$108.8 million or 12.9% of total deposits. With the growth of the deposit base, total borrowings for the quarter ended March 31, 2024, decreased by \$30.5 million or 67.8% to \$14.5 million.

The Bank’s overall average cost of funds was 3.58% for the quarter ended March 31, 2024, an increase of 30 basis points from 3.28% from the prior linked quarter. The current interest rate environment continues to negatively impact the Bank’s cost of funds in the short term, however, management continues to be pro-active in securing certificates of deposit in the current interest rate environment to better position the interest-rate-risk profile of the Bank in anticipation of rate reductions in the months to come. Management believes this strategy will better protect and enhance future earnings when rates begin to decline, and our deposits repriced downward in the latter stages of 2024.

## **Loan Portfolio and Asset Quality**

For the twelve-month period ended March 31, 2024, the Bank’s loan portfolio grew by \$28.3 million, or 3.5%, 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 \$218.1 million. At March 31, 2024, the entire non-conforming loan portfolio amounted to \$453.9 million, with an average loan balance of \$582 thousand and a weighted average loan-to-value ratio of 61.9%.

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 sale of loans. For the three months ended March 31, 2024, the Bank earned \$1.4 million in premiums on loans sold net of FASB 91 fees and costs.

The Bank's asset quality ratios remained strong. At March 31, 2024, the loan portfolio had non-performing loans of \$4.9 million or 0.59% of total loans and 0.51% of total assets. The total allowance for credit losses at March 31, 2024, was \$8.5 million, or 1.03% of total loans.

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

With assets of \$962.3 million at March 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](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>3/31/2024</u>	<u>12/31/2023</u>	<u>3/31/2023</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 50,589	\$ 50,955	\$ 63,630
Certificates of deposit	2,000	2,000	3,500
Investments available-for-sale	41,791	43,057	44,905
Investments held-to-maturity	1,000	1,000	2,008
Loans held-for-sale	4,343	8,126	675
Loans receivable	832,644	827,278	807,966
Less: allowance for credit losses	(8,538)	(8,347)	(8,148)
Loans, net	<u>824,106</u>	<u>818,931</u>	<u>799,818</u>
Other assets	38,508	39,466	41,834
<b>Total assets</b>	<u><u>\$ 962,337</u></u>	<u><u>\$ 963,535</u></u>	<u><u>\$ 956,370</u></u>
<b>Liabilities and stockholders' equity</b>			
Deposits	\$ 845,142	\$ 816,285	\$ 809,268
FHLB advances and other borrowings	14,500	45,000	50,000
Other liabilities	18,009	18,318	17,844
<b>Total liabilities</b>	<u>877,651</u>	<u>879,603</u>	<u>877,112</u>
Total stockholders' equity	<u>84,686</u>	<u>83,932</u>	<u>79,258</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 962,337</u></u>	<u><u>\$ 963,535</u></u>	<u><u>\$ 956,370</u></u>

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

	<u>Quarter Ended</u> <u>3/31/2024</u>	<u>Quarter Ended</u> <u>3/31/2023</u>
Total Interest income	\$ 14,185	\$ 12,362
Total interest expense	<u>7,658</u>	<u>4,476</u>
<b>Net interest income</b>	6,527	7,886
Provision for credit losses	<u>190</u>	<u>335</u>
<b>Net interest income after provision for credit loss</b>	6,337	7,551
Net gain on loans sold	1,421	460
Other non-interest income	<u>240</u>	<u>278</u>
<b>Total non-interest income</b>	1,661	738
Compensation and benefits	3,747	3,244
Occupancy and equipment	906	1,007
Data processing	444	383
Federal insurance premium	165	160
Professional fees	329	407
Other	<u>869</u>	<u>833</u>
<b>Total non-interest expense</b>	6,460	6,034
<b>Income before income taxes</b>	1,538	2,255
Income tax expense	<u>310</u>	<u>464</u>
<b>Net income</b>	<u>\$ 1,228</u>	<u>\$ 1,791</u>
Basic earnings per share-GAAP basis	\$ 0.12	\$ 0.17
Diluted earnings per share-GAAP basis	\$ 0.12	\$ 0.17
<b>Supplementary information:</b>		
Net income	\$ 1,228	\$ 1,791
<b>Add back non-cash charges</b>		
Provision for loan losses	190	335
Depreciation expense	<u>253</u>	<u>257</u>
<b>Cash net income</b>	<u>\$ 1,671</u>	<u>\$ 2,383</u>
Basic earnings per share-GAAP basis	\$ 0.16	\$ 0.22
Diluted earnings per share-GAAP basis	\$ 0.16	\$ 0.22

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

	<u>Quarter Ended</u> <u>3/31/2024</u>	<u>Quarter Ended</u> <u>12/31/2023</u>	<u>Quarter Ended</u> <u>9/30/2023</u>	<u>Quarter Ended</u> <u>6/30/2023</u>
Total Interest income	\$ 14,185	\$ 13,767	\$ 13,789	\$ 13,547
Total interest expense	<u>7,658</u>	<u>6,991</u>	<u>6,427</u>	<u>5,572</u>
<b>Net interest income</b>	6,527	6,776	7,362	7,975
Provision (recovery) for credit losses	<u>190</u>	<u>25</u>	<u>(173)</u>	<u>215</u>
<b>Net interest income after provision for credit losses</b>	6,337	6,751	7,535	7,760
Net gain on loans sold	1,421	1,023	1,372	883
Net gains on sale of securities	-	109	-	-
Other non-interest income	<u>240</u>	<u>270</u>	<u>379</u>	<u>326</u>
<b>Total non-interest income</b>	1,661	1,402	1,751	1,209
Compensation and benefits	3,747	3,882	3,659	3,323
Occupancy and equipment	906	894	943	967
Data processing	444	416	401	458
Federal insurance premium	165	139	198	175
Professional fees	329	301	314	689
Other	<u>869</u>	<u>950</u>	<u>1,080</u>	<u>892</u>
<b>Total non-interest expense</b>	6,460	6,582	6,595	6,504
<b>Income before income taxes</b>	1,538	1,571	2,691	2,465
Income tax expense	<u>310</u>	<u>318</u>	<u>556</u>	<u>509</u>
<b>Net income</b>	<u>\$ 1,228</u>	<u>\$ 1,253</u>	<u>\$ 2,135</u>	<u>\$ 1,956</u>
Basic earnings per share-GAAP basis	\$ 0.12	\$ 0.12	\$ 0.20	\$ 0.18
Diluted earnings per share-GAAP basis	\$ 0.12	\$ 0.12	\$ 0.20	\$ 0.18
<b>Supplementary information:</b>				
Net income	\$ 1,228	\$ 1,253	\$ 2,135	\$ 1,956
<b>Add back non-cash charges</b>				
Provision (recovery) for credit losses	190	25	(173)	215
Depreciation expense	<u>253</u>	<u>258</u>	<u>258</u>	<u>254</u>
<b>Cash net income</b>	<u>\$ 1,671</u>	<u>\$ 1,536</u>	<u>\$ 2,220</u>	<u>\$ 2,425</u>
Basic earnings per share-GAAP basis	\$ 0.16	\$ 0.14	\$ 0.21	\$ 0.23
Diluted earnings per share-GAAP basis	\$ 0.16	\$ 0.14	\$ 0.21	\$ 0.23

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

(dollars in thousands, except per share data)

	Quarter Ended 3/31/2024	Quarter Ended 12/31/2023	Quarter Ended 9/30/2023	Quarter Ended 3/31/2023
<b>Asset quality:</b>				
Allowance for credit losses (1)	\$ 8,538	\$ 8,347	\$ 8,193	\$ 8,148
Allowance for credit losses to total loans (1)	1.03%	1.01%	1.01%	1.01%
Non-performing loans	\$ 4,917	\$ 4,385	\$ 4,162	\$ 3,134
Non-performing loans/total loans	0.59%	0.53%	0.51%	0.39%
Non-performing loans/total assets	0.51%	0.46%	0.44%	0.33%
Allowance for credit losses/non-performing loans	173.64%	190.35%	196.85%	259.99%
<b>Capital: (dollars in thousands)</b>				
Tier 1 capital	\$ 89,427	\$ 88,236	\$ 88,047	\$ 83,524
Tier 1 leverage ratio	9.23%	9.23%	9.20%	9.14%
Common equity tier 1 capital ratio	13.32%	13.19%	13.14%	12.40%
Tier 1 risk based capital ratio	13.32%	13.19%	13.14%	12.40%
Total risk based capital ratio	14.57%	14.44%	14.39%	13.64%
<b>Equity data</b>				
Common shares outstanding	10,648,345	10,648,345	10,648,345	10,648,345
Stockholders' equity	\$ 84,686	\$ 83,932	\$ 81,726	\$ 79,258
Book value per common share	7.95	7.88	7.67	7.44
Tangible common equity	84,686	83,932	81,726	79,258
Tangible book value per common share	7.95	7.88	7.67	7.44

(1) Calculation excludes loans held for sale

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

	<u>Quarter Ended</u> <u>3/31/2024</u>	<u>Quarter Ended</u> <u>12/31/2023</u>	<u>Quarter Ended</u> <u>9/30/2023</u>	<u>Quarter Ended</u> <u>3/31/2023</u>
<b>Other: (in thousands)</b>				
Average interest-earning assets	941,314	928,162	927,745	884,446
Average interest-bearing liabilities	754,689	740,574	735,245	701,425
Average deposits and borrowings	860,638	846,091	849,379	812,431
<b>Profitability:</b>				
Return on average assets	0.51%	0.52%	0.89%	0.80%
Return on average equity	5.89%	6.07%	10.40%	9.28%
Yield on average interest earning assets	6.06%	5.88%	5.90%	5.67%
Cost of average interest bearing liabilities	4.08%	3.75%	3.47%	2.59%
Cost of funds	3.58%	3.28%	3.00%	2.23%
Net interest rate spread (1)	1.98%	2.14%	2.43%	3.08%
Net interest margin (2)	2.79%	2.90%	3.15%	3.62%
Non-interest expense to average assets	2.70%	2.77%	2.68%	2.69%
Efficiency ratio	78.90%	82.02%	70.48%	69.97%

(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