



**ES BANCSHARES, INC. ANNOUNCES FIRST QUARTER 2024 RESULTS;
REPORTS ORGANIC DEPOSIT INFLOWS, REDUCES WHOLESALE FUNDING**

STATEN ISLAND, N.Y., April 30, 2024 (GLOBE NEWSWIRE) – ES Bancshares, Inc. (OTCQX: ESBS) (the “Company”) the holding company for Empire State Bank, (the “Bank”) today reported a net loss of \$103 thousand, or \$0.02 per diluted common share, for the quarter ended March 31, 2024 compared to net income of \$84 thousand or \$0.01 per diluted common share for the quarter ended December 31, 2023.

Key Quarterly Financial Data				2024 Highlights
Performance Metrics	1Q24	4Q23	1Q23	
(Loss) return on average assets (%)	(0.07)	0.05	0.40	<ul style="list-style-type: none"> • Non-interest expenses decreased \$295 thousand or 8% quarter over quarter. • Average deposits grew 3.4%, while the Company’s average loan balance remained stable quarter over quarter.
(Loss) return on average equity (%)	(0.90)	0.73	5.40	
(Loss) return on average tangible equity (%)	(0.91)	0.74	5.47	
Net interest margin (%)	2.12	2.28	2.89	
Income Statement (a)	1Q24	4Q23	1Q23	
Net interest income	\$ 3,203	\$ 3,454	\$ 4,159	<ul style="list-style-type: none"> • Net interest margin for the first quarter of 2.12% narrowed from 2.28% as increases to the rates paid on interest-bearing liabilities outpaced the rise in yields of interest-earning assets
Non-interest income	\$ 215	\$ 322	\$ 174	
Net (loss) income	\$ (103)	\$ 84	\$ 599	
(Loss) earnings per diluted common share	\$ (0.02)	\$ 0.01	\$ 0.09	
Balance Sheet (a)	1Q24	4Q23	1Q23	
Average total loans	\$ 567,526	\$ 569,515	\$ 529,041	<ul style="list-style-type: none"> • Non-Performing Loans / Total Loans and the Company’s ratio of Non-Performing Assets / Total Assets remains favorable at 0.24% and 0.21% respectively.
Average total deposits	\$ 486,323	\$ 470,394	\$ 465,809	
Book value per share	\$ 6.75	\$ 6.83	\$ 6.67	
Tangible book value per share	\$ 6.67	\$ 6.74	\$ 6.59	

(a) In thousands except for per share amounts

“Despite the continued challenging interest environment, through the Bank’s core product offerings, the Company was able to grow average deposits during the first three months of 2024. The deposit inflows and asset amortization were partially utilized to repay wholesale funding, with borrowed money down 21% and brokered deposit funding down 8% from December 31, 2023. This funding management is expected to continue as the Company aggressively looks to reduce its cost of funds” said Phil Guarnieri, Director, and Chief Executive Officer of ES Bancshares.

Mr. Guarnieri also stated “In addition to maintaining strong capital and asset quality ratios quarter over quarter, the Company’s previously announced cost-cutting initiative has gotten off to a strong start, with expenses down \$295 thousand in linked quarters. These cost savings helped offset some of the pressure seen during the quarter on net interest income. Further, during the quarter multiple directors exercised options expanding the internal ownership while supporting ESBS during this tenuous economic time.”

Selected Balance Sheet Information:

March 31, 2024 vs. December 31, 2023

As of March 31, 2024, total assets were \$628.6 million, a decrease of \$10.1 million, or 1.6%, as compared to total assets of \$638.7 million on December 31, 2023. The decrease can be attributed to less cash held



quarter over quarter, as during the first quarter of 2024 the funds were utilized to repay Federal Home Loan Bank (FHLB) borrowings.

Loans receivable, net of Allowance for Credit Losses on Loans totaled \$560.4 million, a decrease of \$3.5 million or 0.6% from December 31, 2023. As of March 31, 2024, the Allowance for Credit Losses on Loans as a percentage of gross loans was 0.89%.

Nonperforming assets, which includes nonaccrual loans and foreclosed real estate were \$1.3 million or 0.21% of total assets, as of March 31, 2024, decreasing from \$1.4 million or 0.22% of total assets at December 31, 2023. The ratio of nonaccrual loans to loans receivable was 0.24% and 0.22%, as of March 31, 2024, and December 31, 2023, respectively.

Total liabilities decreased \$10.4 million to \$582.5 from \$592.9 million. The majority of the decrease can be attributed to a 21% decrease quarter over quarter in FHLB borrowings, partially offset by core deposit inflows. The growth in deposits was driven by an increase in interest-bearing non-maturity deposit accounts.

As of March 31, 2024, the Bank's Tier 1 capital leverage ratio, common equity tier 1 capital ratio, Tier 1 capital ratio and total capital ratios were 9.52%, 13.63%, 13.63% and 14.88%, respectively, all in excess of the ratios required to be deemed "well-capitalized." During the first quarter 2024 the Company did not repurchase shares under its stock repurchase program. Book value per common share was \$6.75 at March 31, 2024 compared to \$6.83 at December 31, 2023. Tangible common book value per share (which represents common equity less goodwill, divided by the number of shares outstanding) was \$6.67 at March 31, 2024 compared to \$6.74 at December 31, 2023. The majority of the decrease can be attributed to exercises of 120,000 options by multiple directors during the quarter.

Financial Performance Overview:

Three Months Ended March 31, 2024 vs. December 31, 2023

For the three months ended March 31, 2024, the Company saw a net loss totaling \$103 thousand compared to net income of \$84 thousand for the three months ended December 31, 2023. The decrease can be attributed to a softer margin quarter over quarter.

Net interest income for the three months ended March 31, 2024, decreased \$251 thousand, to \$3.2 million from \$3.5 million at three months ended December 31, 2023. The Company's net interest margin compacted, decreasing by sixteen basis points to 2.12% for the three months ended March 31, 2024, as compared to 2.28% for the three months ended December 31, 2023. The contraction can be attributed to increased costs for the Bank's retail deposits, mainly within Savings accounts and partially offset by the decrease in the average balance of FHLB borrowings.

There was a provision for credit losses of \$39 thousand taken back in for the three months ended March 31, 2024, compared to \$83 thousand reversal of credit losses for the three months ended December 31, 2023.

Non-interest income decreased \$107 thousand, to \$215 thousand for the three months ended March 31, 2024, compared with non-interest income of \$322 thousand for the three months ended December 31, 2023. The decrease can be attributed to less loan charges and fees earned quarter over quarter.

Non-interest expenses totaled \$3.5 million for the three months ended December 31, 2023, compared to \$3.8 million for the three months ended December 31, 2023, or a decrease of 7.9%. The decrease in



non-interest expense can be attributed to initiatives taking effect from the cost-cutting program previously announced.

About ES Bancshares Inc.

ES Bancshares, Inc. (the “Company”) is incorporated under Maryland law and serves as the holding company for Empire State Bank (the “Bank”). The Company is subject to regulation by the Board of Governors of the Federal Reserve System while the Bank is primarily subject to regulation and supervision by the New York State Department of Financial Services. Currently, the Company does not transact any material business other than through the Bank, its subsidiary.

The Bank was organized under federal law in 2004 as a national bank regulated by the Office of the Comptroller of the Currency. The Bank's deposits are insured up to legal limits by the FDIC. In March 2009, the Bank converted its charter to a New York State commercial bank charter. The Bank’s principal business is attracting commercial and retail deposits in New York and investing those deposits primarily in loans, consisting of commercial real estate loans, and other commercial loans including SBA and mortgage loans secured by one-to-four-family residences. In addition, the Bank invests in mortgage-backed securities, securities issued by the U.S. Government and agencies thereof, corporate securities and other investments permitted by applicable law and regulations.

We operate from our five Banking Center locations, a Loan Production Office and our Corporate Headquarters located in Staten Island, New York. The Company’s website address is www.esbna.com. The Company’s annual report, quarterly earnings releases and all press releases are available free of charge through its website, as soon as reasonably practicable.

Forward-Looking Statements

This release may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained in this release that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as “may”, “will”, “expect”, “believe”, “anticipate”, “estimate” or “continue” or comparable terminology, are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within ES Bancshares, Inc.’s control. The forward-looking statements included in this release are made only as of the date of this release. We have no intention, and do not assume any obligation, to update these forward-looking statements.

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ES Bancshares, Inc.
Consolidated Statements of Financial Condition
(in thousands)

	March 31, 2024	December 31, 2023	March 31, 2023
	---(unaudited)---	---(unaudited)---	---(unaudited)---
Assets			
Cash and cash equivalents	\$ 27,392	32,728	57,827
Securities, net	13,013	15,220	15,629
Loans receivable, net:			
Real estate mortgage loans	548,462	551,124	521,696
Commercial and Lines of Credit	12,359	13,301	17,018
Home Equity and Consumer Loans	397	349	358
Deferred costs	4,245	4,233	4,213
Allowance for Loan Credit Losses	(5,054)	(5,086)	(4,882)
Total loans receivable, net	560,410	563,920	538,403
Accrued interest receivable	2,652	2,625	2,338
Investment in restricted stock, at cost	4,509	5,191	5,368
Goodwill	581	581	581
Bank premises and equipment, net	5,381	5,600	6,037
Repossessed assets	-	-	164
Right of use lease assets	6,202	6,415	6,666
Bank Owned Life Insurance	5,376	5,341	5,236
Other Assets	3,118	1,129	1,178
Total Assets	\$ 628,634	638,750	639,427
Liabilities & Stockholders' Equity			
Non-Interest-Bearing Deposits	100,880	109,065	135,680
Interest-Bearing Deposits	343,311	328,479	311,800
Brokered Deposits	52,000	56,581	39,504
Total Deposits	496,191	494,125	486,984
Bond Issue, net of costs	13,720	13,708	13,678
Borrowed Money	55,628	70,805	78,000
Lease Liability	6,464	6,672	6,893
Other Liabilities	16,942	7,578	9,061
Total Liabilities	582,480	592,888	594,616
Stockholders' equity	46,154	45,862	44,811
Total liabilities and stockholders' equity	\$ 628,634	638,750	639,427



ES Bancshares, Inc.
Consolidated Statements of Income
(in thousands)

	Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
	------(unaudited)-----		
Interest income			
Loans	\$ 7,208	\$ 7,059	\$ 6,064
Securities	115	110	113
Other interest-earning assets	263	278	367
Total Interest Income	7,586	7,447	6,544
Interest expense			
Deposits	3,585	2,945	1,616
Borrowings	798	1,048	768
Total Interest Expense	4,383	3,993	2,384
Net Interest Income	3,203	3,454	4,160
Prov for (Reversal of) Credit Losses	39	(83)	(17)
Net Interest Income after Prov for (Revrs) Credit Losses	3,164	3,537	4,177
Non-interest income			
Service charges and fees	172	254	137
Gain on loan sales	1	30	-
Other	42	38	37
Total non-interest income	215	322	174
Non-interest expenses			
Compensation and benefits	1,721	1,745	1,855
Occupancy and equipment	668	646	641
Data processing service fees	326	357	302
Professional fees	181	357	219
FDIC & NYS Banking Assessments	97	88	55
Advertising	75	101	99
Insurance	50	51	45
Other	337	405	356
Total non-interest expense	3,455	3,750	3,572
(Loss) income prior to tax expense	(76)	109	778
Income taxes	27	25	179
Net (Loss) income	\$ (103)	\$ 84	\$ 599

ES Bancshares, Inc.									
Average Balance Sheet Data									
For the Three Months Ended (dollars in thousands)									
	March 31, 2024			December 31, 2023			March 31, 2023		
	Avg Bal	Interest	Average	Avg Bal	Interest	Average	Avg Bal	Interest	Average
	Rolling	Rolling	Yield/Cost	Rolling	Rolling	Yield/Cost	Rolling	Rolling	Yield/Cost
	3 Mos.	3 Mos.		3 Mos.	3 Mos.		3 Mos.	3 Mos.	
Assets									
Interest-earning assets:									
Loans receivable	\$ 567,526	\$ 7,208	5.08%	\$ 569,515	\$ 7,059	4.96%	\$ 529,041	\$ 6,064	4.58%
Investment securities	15,814	115	2.90%	15,957	110	2.75%	15,979	113	2.83%
Other interest-earning assets	19,828	263	5.25%	20,128	278	5.40%	31,460	367	4.67%
Total interest-earning assets	603,168	7,586	5.03%	605,600	7,447	4.92%	576,480	6,544	4.54%
Non-interest earning assets	16,812			16,840			17,355		
Total assets	<u>\$ 619,980</u>			<u>\$ 622,440</u>			<u>\$ 593,835</u>		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing checking	\$ 30,943	\$ 26	0.34%	\$ 25,368	\$ 23	0.36%	\$ 30,193	\$ 34	0.46%
Savings accounts	153,609	1,413	3.69%	123,641	884	2.84%	116,789	323	1.12%
Certificates of deposit	201,926	2,146	4.26%	207,091	2,037	3.90%	190,984	1,259	2.67%
Total interest-bearing deposits	386,479	3,585	3.72%	356,101	2,945	3.28%	337,966	1,616	1.94%
Borrowings	59,541	576	3.88%	76,844	827	4.27%	55,415	547	4.00%
Subordinated debenture	13,714	221	6.47%	13,705	221	6.40%	13,672	221	6.56%
Total interest-bearing liabilities	459,734	4,383	3.82%	446,649	3,993	3.55%	407,053	2,384	2.38%
Non-interest-bearing demand deposits	99,844			114,293			127,843		
Other liabilities	14,396			15,803			14,617		
Total non-interest-bearing liabilities	114,240			130,096			142,460		
Stockholders' equity	46,005			45,695			44,322		
Total liabilities and stockholders' equity	<u>\$ 619,980</u>			<u>\$ 622,440</u>			<u>\$ 593,835</u>		
Net interest income		<u>\$ 3,203</u>			<u>\$ 3,454</u>			<u>\$ 4,160</u>	
Average interest rate spread			1.21%			1.37%			2.17%
Net interest margin			2.12%			2.28%			2.89%

Five Quarter Performance Ratio Highlights	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Income Statement (%)					
(Loss) return on Average Assets	(0.07)	0.05	0.09	0.42	0.40
(Loss) return on Average Equity	(0.90)	0.73	1.17	5.81	5.40
(Loss) return on Average Tangible Equity	(0.91)	0.74	1.18	5.89	5.47
Efficiency Ratio	101.08	99.31	93.89	80.86	82.42
Yields / Costs (%)					
Average Yield - Interest Earning Assets	5.03	4.92	4.79	4.70	4.54
Cost of Funds	3.82	3.55	2.93	2.53	2.38
Net Interest Margin	2.12	2.28	2.67	2.86	2.89
Capital Ratios (%)					
Equity / Assets	7.34	7.18	7.24	7.24	7.01
Tangible Equity / Assets	7.26	7.09	7.15	7.15	6.92
Tier I leverage ratio (a)	9.52	9.45	9.54	9.40	9.65
Common equity Tier I capital ratio (a)	13.63	13.60	13.47	13.67	13.87
Tier 1 Risk-based capital ratio (a)	13.63	13.60	13.47	13.67	13.87
Total Risk-based capital ratio (a)	14.88	14.85	14.63	14.92	15.12
Stock Valuation					
Book Value	\$ 6.75	\$ 6.83	\$ 6.79	\$ 6.77	\$ 6.67
Tangible Book Value	\$ 6.67	\$ 6.74	\$ 6.71	\$ 6.68	\$ 6.59
Shares Outstanding (b)	6,834	6,714	6,714	6,714	6,714
Asset Quality (%)					
ACL / Total Loans	0.89	0.89	0.89	0.89	0.90
Non Performing Loans / Total Loans	0.24	0.22	0.25	0.25	0.17
Non Performing Assets / Total Assets	0.21	0.22	0.25	0.25	0.19

(a) Ratios at Bank level

(b) Shares information presented in thousands