



**ES BANCSHARES, INC. ANNOUNCES FOURTH QUARTER 2024 RESULTS;
CONTINUES TREND OF NET INTEREST MARGIN EXPANSION AND ASSET QUALITY**

STATEN ISLAND, N.Y., January 30, 2025 (GLOBE NEWSWIRE) – ES Bancshares, Inc. (OTCQX: ESBS) (the “Company”) the holding company for Empire State Bank, (the “Bank”) today reported net income of \$446 thousand, or \$0.07 per diluted common share, for the quarter ended December 31, 2024, compared to a net income of \$582 thousand, or \$0.08 per diluted common share for the quarter ended September 30, 2024.

Key Quarterly Financial Data				2024 Highlights
Performance Metrics	4Q24	3Q24	4Q23	<ul style="list-style-type: none"> •The Cost of Funds for the three months ended December 31, 2024, improved to 2.87% from 3.02% in the prior linked quarter. •For 3 months ended December 31, 2024, the Company’s net interest margin increased to 2.50% compared to 2.30% for the 3 months ended September 30, 2024.
Return on average assets (%)	0.29	0.36	0.05	
Return on average equity (%)	3.94	4.98	0.73	
Return on average tangible equity (%)	3.99	5.04	0.74	
Net interest margin (%)	2.50	2.30	2.28	<ul style="list-style-type: none"> •The Company sold \$3 million in SBA 7a loan during the quarter, resulting in a gain on loan sale. • The Company has replaced \$56 million of higher-costing wholesale funding with lower cost organic deposits over the twelve months in 2024. •Total Revenues for the quarter ended December 31, 2024, totaled \$8.4 million increasing for a second consecutive quarter.
Income Statement (a)	4Q24	3Q24	4Q23	
Net interest income	\$ 3,876	\$ 3,567	\$ 3,454	
Non-interest income	\$ 372	\$ 609	\$ 322	
Net income	\$ 466	\$ 582	\$ 84	
Earnings per diluted common share	\$ 0.07	\$ 0.08	\$ 0.01	
Balance Sheet (a)	4Q24	3Q24	4Q23	
Average total loans	\$ 566,031	\$ 566,031	\$ 569,515	
Average total deposits	\$ 512,925	\$ 512,120	\$ 470,394	
Book value per share	\$ 6.89	\$ 6.85	\$ 6.83	
Tangible book value per share	\$ 6.81	\$ 6.77	\$ 6.74	

(a) In thousands except for per share amounts

Phil Guarnieri, Director, and Chief Executive Officer of ES Bancshares said “We ended 2024 with positive trends over the last two quarters. The downward turn in interest rates has bolstered our net interest income. The Company’s net interest margin increased by twenty basis points, demonstrating growth for the past three quarters. This coupled with our cost containment program has bolstered our core earnings. The Company’s balance sheet and capital position remain a strength for our Company.”

Selected Balance Sheet Information:

December 31, 2024 vs. December 31, 2023

As of December 31, 2024, total assets were \$636.6 million, a decrease of \$2.1 million, or 0.3%, as compared to total assets of \$638.7 million on December 31, 2023. The decrease can be attributed to a slightly smaller loan portfolio.

Loans receivable, net of Allowance for Credit Losses on Loans totaled \$559.3 million, a decrease of 0.8% from December 31, 2023. As of December 31, 2024, the Allowance for Credit Losses on Loans as a percentage of gross loans was 0.91%.



Nonperforming assets, which includes nonaccrual loans and foreclosed real estate were \$5.3 million or 0.84% of total assets, as of December 31, 2024, increasing from \$1.4 million or 0.22% of total assets at December 31, 2023. The ratio of nonaccrual loans to loans receivable was 0.94%, as of December 31, 2024, and 0.22% for December 31, 2023. The increase from December 31, 2023, was primarily due to one Commercial Real Estate and one 1-4 family investor loan being placed on non-accrual status. Both loans are deemed to be well collateralized and in total amount to \$4.0 million.

Total liabilities decreased \$3.8 million to \$589.1 million at December 31, 2024 from \$592.9 million at December 31, 2023. The decrease can be attributed to repayments of brokered deposits and Federal Home Loan (FHLB) borrowings partially offset by growth in core deposits. The growth in deposits was driven by an increase in interest-bearing, non-maturity deposit accounts, as well as interest-bearing deposits.

As of December 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 9.31%, 13.68%, 13.68% and 14.93%, respectively, all in excess of the ratios required to be deemed "well-capitalized." During the Fourth quarter of 2024 the Company did not repurchase shares under its stock repurchase program. Book value per common share was \$6.89 at December 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 \$6.81 at December 31, 2024 compared to \$6.74 at December 31, 2023.

Financial Performance Overview:

Three Months Ended December 31, 2024, vs. September 30, 2024

For the three months ended December 31, 2024, the Company net income totaled \$466 thousand compared to a net income of \$582 thousand for the three months ended September 30, 2024. The decrease can be attributed to lower non-interest income and non-interest expense, partially offset by higher net interest income quarter over quarter.

Net interest income for the three months ended December 31, 2024, increased \$309 thousand, to \$3.9 million from \$3.6 million at three months ended September 30, 2024. The Company's net interest margin widened by nine basis points to 2.50% for the three months ended December 31, 2024, as compared to 2.30% for the three months ended September 30, 2024. The increase in margin can be attributed to a reduction in the Company's average cost for its interest-bearing liabilities.

There was a \$2 thousand provision for credit losses taken for the three months ended December 31, 2024, compared to a reversal for credit losses of \$38 thousand for the three months ended September 30, 2024.

Non-interest income decreased \$237 thousand, to \$372 thousand for the three months ended December 31, 2024, compared with non-interest income of \$609 thousand for the three months ended September 30, 2024. The majority of the decreases can be attributed to lower service charges and fees and no gain on extinguishment of the Company's subordinated debt, partially offset by the gain on loan sales.

Non-interest expenses totaled \$3.6 million for the three months ended December 31, 2024, compared to \$3.4 million for the three months ended September 30, 2024. The largest fluctuations quarter over quarter were due to a \$154 thousand increase in other expenses, due to a lack of a recovery of collection expenses that we realized in the September 2024 quarter, an increase in employment search fees, and other expenses. The \$92 thousand increase in professional fees, due to higher legal and consulting fees as compared to the quarter ended September 30, 2024.



Twelve months ended December 31, 2024 vs. December 31, 2023

For the twelve months ended December 31, 2024, net income totaled \$1.1 million in comparison to \$1.5 million for the twelve months ended December 31, 2023. The decrease can mainly be attributed to higher costs paid on deposits which increased \$5.1 million year over year.

Net interest income for the twelve months ended December 31, 2024, decreased 11% or \$1.8 million, to \$14.1 million from \$15.9 million at December 31, 2023. The decrease can be attributed to increased interest expense for deposits, partially offset by increased interest income earned on the loan portfolio.

Provision for credit losses totaled \$12 thousand for the twelve months ended December 31, 2024, compared to a \$20 thousand provision for the twelve months ended December 31, 2023.

Non-interest income totaled \$1.2 million for the twelve months ended December 31, 2024, compared with noninterest income of \$758 thousand for the twelve months ended December 31, 2023. The increase can be attributed to the gain recorded on extinguishment of sub-debt which is partially offset by decreased in gain on sale of loans period over period.

Operating expenses totaled \$14.0 million for the twelve months ended December 31, 2024, compared to \$15.0 million for the twelve months ended December 31, 2023, or a decrease of 7.1%. The decrease in non-interest expense can be attributed to initiatives taking effect from the cost-cutting program launched in 2024.

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)

	December 31, 2024	December 31, 2023
	---(unaudited)---	
Assets		
Cash and cash equivalents	\$ 26,713	32,728
Securities, net	22,336	15,220
Loans receivable, net:		
Real estate mortgage loans	545,569	551,124
Commercial and Lines of Credit	14,418	13,301
Home Equity and Consumer Loans	398	349
Deferred costs	4,084	4,233
Allowance for Loan Credit Losses	(5,137)	(5,086)
Total loans receivable, net	559,330	563,920
Accrued interest receivable	2,628	2,625
Investment in restricted stock, at cost	4,335	5,191
Goodwill	581	581
Bank premises and equipment, net	4,845	5,600
Repossessed assets	-	-
Right of use lease assets	5,894	6,415
Bank Owned Life Insurance	5,489	5,341
Other Assets	4,471	1,129
Total Assets	\$ 636,622	638,750
Liabilities & Stockholders' Equity		
Non-Interest-Bearing Deposits	133,268	109,065
Interest-Bearing Deposits	359,816	328,479
Brokered Deposits	20,750	56,581
Total Deposits	513,834	494,125
Bond Issue, net of costs	11,787	13,708
Borrowed Money	50,084	70,805
Lease Liability	6,172	6,672
Other Liabilities	7,195	7,578
Total Liabilities	589,071	592,888
Stockholders' equity	47,551	45,862
Total liabilities and stockholders' equity	\$ 636,622	638,750



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

	Three Months Ended			Twelve Months Ended	
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	------(unaudited)-----			-----(unaudited)----	
Interest income					
Loans	\$ 7,405	\$ 7,315	\$ 7,059	\$ 29,273	\$ 26,343
Securities	224	218	110	678	446
Other interest-earning assets	373	428	278	1,624	1,418
Total Interest Income	8,002	7,961	7,447	31,576	28,207
Interest expense					
Deposits	3,436	3,674	2,945	14,531	9,052
Borrowings	690	720	1,048	2,950	3,268
Total Interest Expense	4,126	4,394	3,993	17,482	12,320
Net Interest Income	3,876	3,567	3,454	14,094	15,887
(Rev)Prov for Credit Losses	2	(38)	(83)	12	20
Net Interest Income after (Rev)Prov for Credit Losses	3,874	3,605	3,537	14,082	15,867
Non-interest income					
Service charges and fees	192	264	254	828	762
Gain on loan sales	139	-	30	140	168
Gain on extinguishment of Sub-debt	-	245	-	245	-
Other	42	100	38	314	149
Total non-interest income	372	609	322	1,527	1,080
Non-interest expenses					
Compensation and benefits	1,662	1,719	1,745	6,830	7,408
Occupancy and equipment	618	618	646	2,509	2,656
Data processing service fees	295	315	357	1,253	1,396
Professional fees	247	155	357	808	1,104
FDIC & NYS Banking Assessments	132	100	88	428	272
Advertising	64	84	101	308	406
Insurance	56	55	51	208	190
Other	518	365	405	1,622	1,603
Total non-interest expense	3,592	3,411	3,750	13,966	15,035
Income prior to tax expense	654	803	109	1,643	1,912
Income taxes	188	221	25	539	440
Net Income	\$ 466	\$ 582	\$ 84	\$ 1,104	\$ 1,472

ES Bancshares, Inc.									
Average Balance Sheet Data									
For the Three Months Ended (dollars in thousands)									
	December 31, 2024			September 30, 2024			June 30, 2024		
	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	\$ 564,745	\$ 7,405	5.24%	\$ 566,031	\$ 7,315	5.17%	\$ 569,515	\$ 7,059	4.96%
Investment securities	22,898	224	3.91%	22,480	218	3.87%	15,957	110	2.75%
Other interest-earning assets	31,135	373	4.69%	31,656	428	5.29%	20,128	278	5.40%
Total interest-earning assets	618,778	8,002	5.17%	620,167	7,961	5.13%	605,600	7,447	4.92%
Non-interest earning assets	18,048			17,919			16,840		
Total assets	<u>\$ 636,826</u>			<u>\$ 638,086</u>			<u>\$ 622,440</u>		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing checking	\$ 32,800	\$ 27	0.33%	\$ 33,512	\$ 55	0.65%	\$ 25,368	\$ 23	0.36%
Savings accounts	217,746	1,695	3.09%	200,248	1,728	3.42%	123,641	884	2.84%
Certificates of deposit	166,368	1,714	4.09%	173,577	1,891	4.32%	207,091	2,037	3.90%
Total interest-bearing deposits	416,914	3,436	3.27%	407,337	3,674	3.58%	356,101	2,945	3.28%
Borrowings	50,189	499	3.94%	52,984	519	3.89%	76,844	827	4.27%
Subordinated debenture	11,784	191	6.43%	13,726	201	5.81%	13,705	221	6.41%
Total interest-bearing liabilities	478,887	4,126	3.42%	474,047	4,394	3.68%	446,649	3,993	3.55%
Non-interest-bearing demand deposits	96,011			104,782			114,293		
Other liabilities	14,580			13,045			15,803		
Total non-interest-bearing liabilities	110,591			117,827			130,096		
Stockholders' equity	47,347			46,211			45,695		
Total liabilities and stockholders' equity	<u>\$ 636,826</u>			<u>\$ 638,086</u>			<u>\$ 622,440</u>		
Net interest income		<u>\$ 3,874</u>			<u>\$ 3,567</u>			<u>\$ 3,454</u>	
Average interest rate spread			1.75%			1.46%			1.37%
Net interest margin			2.50%			2.30%			2.28%

Five Quarter Performance Ratio Highlights	Three Months Ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Performance Ratios (%) - annualized					
Return(loss) on Average Assets	0.29	0.36	0.10	(0.07)	0.05
Return(loss) on Average Equity	3.94	4.98	1.37	(0.90)	0.73
Return(loss) on Average Tangible Equity	3.99	5.04	1.38	(0.91)	0.74
Efficiency Ratio	84.58	81.70	92.86	101.08	99.31
Yields / Costs (%)					
Average Yield - Interest Earning Assets	5.17	5.13	5.16	5.03	4.92
Average Cost - Interest-bearing Liabilities	3.42	3.69	3.86	3.82	3.55
Net Interest Margin	2.50	2.30	2.21	2.12	2.28
Capital Ratios (%)					
Equity / Assets	7.47	7.44	7.12	7.34	7.18
Tangible Equity / Assets	7.38	7.36	7.03	7.26	7.09
Tier I leverage ratio (a)	9.31	9.18	9.30	9.52	9.45
Common equity Tier I capital ratio (a)	13.68	13.67	13.81	13.63	13.60
Tier 1 Risk-based capital ratio (a)	13.68	13.67	13.81	13.63	13.60
Total Risk-based capital ratio (a)	14.93	14.92	15.06	14.88	14.85
Stock Valuation					
Book Value	\$ 6.89	\$ 6.85	\$ 6.74	\$ 6.75	\$ 6.83
Tangible Book Value	\$ 6.81	\$ 6.77	\$ 6.65	\$ 6.67	\$ 6.74
Shares Outstanding (b)	6,900	6,878	6,884	6,834	6,714
Asset Quality (%)					
ACL / Total Loans	0.91	0.90	0.90	0.89	0.89
Non Performing Loans / Total Loans	0.94	0.91	0.22	0.24	0.22
Non Performing Assets / Total Assets	0.84	0.81	0.19	0.21	0.22

(a) Ratios at Bank level

(b) Shares information presented in thousands