



ES BANCSHARES, INC. ANNOUNCES SECOND QUARTER 2025 RESULTS; CONTINUES POSITIVE TREND OF NET INCOME GROWTH

STATEN ISLAND, N.Y., July 23, 2025 (GLOBE NEWSWIRE) – ES Bancshares, Inc. (OTCQX: ESBS) (the “Company”) the holding company for Empire State Bank, (the “Bank”) today reported net income of \$1.03 million, or \$0.15 per diluted common share, for the quarter ended June 30, 2025, compared to a net income of \$546 thousand, or \$0.08 per diluted common share for the quarter ended March 31, 2025.

Key Quarterly Financial Data				2025 Highlights
Performance Metrics	2Q25	1Q25	4Q24	•Non interest-bearing deposits grew by \$8.1 million from year end 2024. •The Cost of Funds for the three months ended June 30, 2025, rose to 2.72% from 2.69% in the prior linked quarter.
Return on average assets (%)	0.66	0.35	0.10	
Return on average equity (%)	8.44	4.53	1.37	
Return on average tangible equity (%)	8.55	4.59	1.38	
Net interest margin (%)	2.66	2.68	2.21	•For 3 months ended June 30, 2025, the Company's net interest margin decreased to 2.66% compared to 2.68% for the 3 months ended March 31, 2025. •The Company received \$384K in Employee Retention Tax Credits and applicable interest in the second quarter of 2025. •Book value for the quarter ended June 30, 2025, totaled \$7.13 per share increasing for the fifth consecutive quarter.
Income Statement (a)	2Q25	1Q25	4Q24	
Net interest income	\$ 4,019	\$ 4,112	\$ 3,447	
Non-interest income	\$ 1,120	\$ 349	\$ 329	
Net income	\$ 1,034	\$ 546	\$ 158	
Earnings per diluted common share	\$ 0.15	\$ 0.08	\$ 0.02	
Balance Sheet (a)	2Q25	1Q25	4Q24	
Average total loans	\$ 557,878	\$ 568,508	\$ 565,363	
Average total deposits	\$ 508,496	\$ 506,524	\$ 510,050	
Book value per share	\$ 7.13	\$ 6.97	\$ 6.74	
Tangible book value per share	\$ 7.05	\$ 6.89	\$ 6.65	

(a) In thousands except for per share amounts

Phil Guarnieri, Director, and Chief Executive Officer of ES Bancshares said “The second quarter of 2025 featured \$8.1 million growth in our non-interest-bearing deposits. Our net income increased due in large part to the receipt of the Employee Retention Tax Credits for the year 2020. We continue to be flexible as we proceed through the fluctuating economic and regulatory landscape.”

Selected Balance Sheet Information:

June 30, 2025 vs. December 31, 2024

As of June 30, 2025, total assets were \$645.0 million, an increase of \$8.2 million, or 1.3%, as compared to total assets of \$636.7 million on December 31, 2024. The increase can be attributed to an influx of retail deposits and cash.

Loans receivable, net of Allowance for Credit Losses on Loans totaled \$552.3 million, a decrease of \$7.0 million or 1.3% from December 31, 2024. As of June 30, 2025, the Allowance for Credit Losses on Loans as a percentage of gross loans was 0.93%.

Nonperforming assets, which includes nonaccrual loans and foreclosed real estate were \$6.3 million or 0.98% of total assets, as of June 30, 2025, increasing from \$5.3 million or 0.84% of total assets at December 31, 2024. The ratio of nonaccrual loans to loans receivable was 1.13%, as of June 30, 2025, and 0.94% for December 31, 2024. The increase from December 31, 2024, was primarily due to one non-



owner occupied commercial real estate loan being placed on non-accrual status. That loan has a less than 50% loan to value ratio.

Total liabilities increased \$6.4 million to \$595.6 million at June 30, 2025, from \$589.2 million at December 31, 2024. The increase can be attributed to an increase in core deposits and in brokered deposits partially offset by a reduction in overnight Federal Home Loan (FHLB) borrowings. The growth in deposits was driven by an increase in non-interest-bearing deposits.

As of June 30, 2025, the Bank's Tier 1 capital leverage ratio, common equity tier 1 capital ratio, Tier 1 capital ratio and total capital ratios were 9.78%, 14.35%, 14.35% and 15.60%, respectively, all in excess of the ratios required to be deemed "well-capitalized." During the second quarter of 2025 the Company did not repurchase shares under its stock repurchase program. Book value per common share was \$7.13 at June 30, 2025, compared to \$6.89 at December 31, 2024. Tangible common book value per share (which represents common equity less goodwill, divided by the number of shares outstanding) was \$7.05 at June 30, 2025, compared to \$6.81 at December 31, 2024.

Financial Performance Overview:

Three Months Ended June 30, 2025, vs. March 31, 2025

For the three months ended June 30, 2025, the Company net income totaled \$1.0 million compared to a net income of \$546 thousand for the three months ended March 31, 2025. The increase can be attributed to higher non-interest income partially offset by lower net interest income and higher loan loss provisions quarter over quarter.

Net interest income for the three months ended June 30, 2025 decreased \$93 thousand, to \$4.0 million from \$4.1 million at three months ended March 31, 2025. The Company's net interest margin decreased moderately by two basis points to 2.66% for the three months ended June 30, 2025, as compared to 2.68% for the three months ended March 31, 2025. The decrease in margin can be attributed to an increase of 6 basis points in the Company's average cost for its interest-bearing liabilities as lower rate borrowings matured and the reduction of \$10.6 million in our average loan balance in the second quarter.

There was a \$43 thousand provision for credit losses taken for the three months ended June 30, 2025, compared to a \$30 thousand reversal for credit losses for the three months ended March 31, 2025. The provision for credit losses was due to by an increase in the ACL for loans and off-balance sheet positions, partially offset by a lower ACL for investments.

Non-interest income increased \$771 thousand, to \$1.1 million for the three months ended June 30, 2025, compared with non-interest income of \$349 thousand for the three months ended March 31, 2025. The majority of the increases can be attributed to the receipt of \$384 thousand Employee Retention Tax Credits ("ERTC") plus applicable interest and higher service charges and fees on loans. We are expecting the remaining ERTC installments for the 2021 tax year.

Non-interest expenses totaled \$3.8 million for the three months ended June 30, 2025, compared to \$3.7 million for the three months ended March 31, 2025. The largest fluctuations quarter over quarter were due to a \$147 thousand increase in compensation and benefits due to additional hires, and increased advertising expenses of \$33 thousand, partially offset by an \$89 thousand decrease in professional fees, due to reduced legal expenses, \$43 thousand decrease in occupancy and equipment and a \$39 thousand decrease in other expenses.



Six months ended June 30, 2025 vs. June 30, 2024

For the six months ended June 30, 2025, net income totaled \$1.6 million in comparison to \$55 thousand for the six months ended June 30, 2024. The increase can mainly be attributed to higher net interest income of \$1.5 million, increased non-interest income of \$925 thousand partially offset by higher non-interest expense of \$541 thousand and higher provision for income taxes of \$375 thousand.

Net interest income for the six months ended June 30, 2025, increased 22% or \$1.4 million, to \$8.1 million from \$6.7 million at June 30, 2024. The increase can be attributed to decreased interest expense for deposits of \$1.2 million and lower borrowing costs of \$176 thousand.

Provision for credit losses totaled \$13 thousand for the six months ended June 30, 2025, compared to a \$48 thousand provision for the six months ended June 30, 2024.

Non-interest income totaled \$1.5 million for the six months ended June 30, 2025, compared with noninterest income of \$544 thousand for the six months ended June 30, 2024. The increase can be attributed to increased charges and fees collected, the receipt of the Employee Retention Tax Credit in 2025, and the gain on sale of loans period over period.

Operating expenses totaled \$7.5 million for the six months ended June 30, 2025, compared to \$7.0 million for the six months ended June 30, 2024, or an increase of 7.7%. The increase in non-interest expenses can be attributed to the increases in professional fees, other non-interest expenses and salary and compensation.

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.

Investor Contact:

Peggy Edwards, Corporate Secretary
(845) 451-7825

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

	June 30, 2025	December 31, 2024
	----(unaudited)----	
Assets		
Cash and cash equivalents	\$ 46,761	26,713
Securities, net	22,135	22,336
Loans receivable, net:		
Real estate mortgage loans	535,667	545,569
Commercial and Lines of Credit	17,820	14,417
Home Equity and Consumer Loans	294	397
Deferred costs	3,726	4,084
Allowance for Loan Credit Losses	(5,169)	(5,137)
Total loans receivable, net	552,338	559,330
Accrued interest receivable	2,609	2,628
Investment in restricted stock, at cost	3,860	4,335
Goodwill	581	581
Bank premises and equipment, net	4,466	4,845
Repossessed assets	-	-
Right of use lease assets	5,459	5,894
Bank Owned Life Insurance	5,566	5,489
Other Assets	1,207	4,589
Total Assets	\$ 644,982	636,739
Liabilities & Stockholders' Equity		
Non-Interest-Bearing Deposits	105,568	97,490
Interest-Bearing Deposits	402,083	395,593
Brokered Deposits	23,056	20,750
Total Deposits	530,707	513,833
Bond Issue, net of costs	11,807	11,787
Borrowed Money	39,710	50,083
Lease Liability	5,744	6,172
Other Liabilities	7,600	7,313
Total Liabilities	595,568	589,188
Stockholders' equity	49,414	47,551
Total liabilities and stockholders' equity	\$ 644,982	636,739



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

	Three Months Ended			Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	------(unaudited)-----			-----(unaudited)----	
Interest income					
Loans	\$ 7,354	\$ 7,478	\$ 7,345	\$ 14,832	\$ 14,553
Securities	193	213	121	406	236
Other interest-earning assets	279	243	561	522	824
Total Interest Income	7,826	7,934	8,027	15,760	15,613
Interest expense					
Deposits	3,146	3,118	3,837	6,264	7,422
Borrowings	661	704	743	1,365	1,541
Total Interest Expense	3,807	3,822	4,580	7,629	8,963
Net Interest Income	4,019	4,112	3,447	8,131	6,650
(Rev)Prov for Credit Losses	43	(30)	9	13	48
Net Interest Income after (Rev)Prov for Credit Losses	3,976	4,142	3,438	8,118	6,602
Non-interest income					
Service charges and fees	693	175	200	868	372
Gain on loan sales	-	132	-	132	1
Gain on extinguishment of Sub-debt	-	-	-	-	-
Other	427	42	129	469	171
Total non-interest income	1,120	349	329	1,469	544
Non-interest expenses					
Compensation and benefits	1,836	1,689	1,728	3,525	3,449
Occupancy and equipment	626	669	605	1,295	1,273
Data processing service fees	345	315	317	660	643
Professional fees	246	335	225	581	406
FDIC & NYS Banking Assessments	113	113	99	226	196
Advertising	122	89	85	211	160
Insurance	48	53	46	101	96
Other	432	471	401	903	738
Total non-interest expense	3,768	3,734	3,506	7,502	6,961
Income prior to tax expense	1,328	757	261	2,085	185
Income taxes	294	211	103	505	130
Net Income	\$ 1,034	\$ 546	\$ 158	\$ 1,580	\$ 55

	June 30, 2025			March 31, 2025			June 30, 2024		
	Avg Bal Rolling 3 Mos.	Interest Rolling 3 Mos.	Average Yield/Cost	Avg Bal Rolling 3 Mos.	Interest Rolling 3 Mos.	Average Yield/Cost	Avg Bal Rolling 3 Mos.	Interest Rolling 3 Mos.	Average Yield/Cost
Assets									
Interest-earning assets:									
Loans receivable	\$ 557,878	\$ 7,354	5.27%	\$ 568,508	\$ 7,478	5.26%	\$ 565,363	\$ 7,345	5.20%
Investment securities	20,844	192	3.69%	22,839	213	3.73%	15,513	121	3.13%
Other interest-earning assets	26,781	280	4.20%	21,343	243	4.55%	41,652	561	5.33%
Total interest-earning assets	605,503	7,826	5.17%	612,690	7,934	5.18%	622,528	8,027	5.16%
Non-interest earning assets	24,968			19,077			16,398		
Total assets	<u>\$ 630,471</u>			<u>\$ 631,767</u>			<u>\$ 638,926</u>		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing checking	\$ 31,717	\$ 28	0.35%	\$ 36,869	\$ 31	0.34%	\$ 36,692	\$ 71	0.77%
Savings accounts	202,172	1,490	2.96%	205,503	1,443	2.85%	175,686	1,629	3.72%
Certificates of deposit	167,948	1,628	3.89%	166,005	1,644	4.02%	194,806	2,137	4.40%
Total interest-bearing deposits	401,837	3,146	3.14%	408,377	3,118	3.10%	407,184	3,837	3.78%
Borrowings	40,407	471	4.68%	50,124	514	4.16%	55,510	522	3.77%
Subordinated debenture	11,803	190	6.44%	11,793	190	6.44%	13,726	221	6.46%
Total interest-bearing liabilities	454,047	3,807	3.36%	470,294	3,822	3.30%	476,420	4,580	3.86%
Non-interest-bearing demand deposits	106,659			98,147			102,866		
Other liabilities	20,741			15,188			13,429		
Total non-interest-bearing liabilities	127,400			113,335			116,295		
Stockholders' equity	49,024			48,138			46,211		
Total liabilities and stockholders' equity	<u>\$ 630,471</u>			<u>\$ 631,767</u>			<u>\$ 638,926</u>		
Net interest income		<u>\$ 4,019</u>			<u>\$ 4,112</u>			<u>\$ 3,447</u>	
Average interest rate spread			1.81%			1.88%			1.30%
Net interest margin			2.66%			2.68%			2.21%

Five Quarter Performance Ratio Highlights	Three Months Ended				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Performance Ratios (%) - annualized					
Return(loss) on Average Assets	0.66	0.35	0.29	0.36	0.10
Return(loss) on Average Equity	8.44	4.53	3.94	4.98	1.37
Return(loss) on Average Tangible Equity	8.55	4.59	3.99	5.04	1.38
Efficiency Ratio	73.30	83.71	84.58	81.70	92.86
Yields / Costs (%)					
Average Yield - Interest Earning Assets	5.17	5.18	5.17	5.13	5.16
Average Cost - Interest-bearing Liabilities	3.36	3.30	3.42	3.69	3.86
Net Interest Margin	2.66	2.68	2.50	2.30	2.21
Capital Ratios (%)					
Equity / Assets	7.66	7.65	7.47	7.44	7.12
Tangible Equity / Assets	7.58	7.56	7.38	7.36	7.03
Tier I leverage ratio (a)	9.78	9.46	9.31	9.18	9.30
Common equity Tier I capital ratio (a)	14.35	13.81	13.68	13.67	13.81
Tier I Risk-based capital ratio (a)	14.35	13.81	13.68	13.67	13.81
Total Risk-based capital ratio (a)	15.60	15.06	14.93	14.92	15.06
Stock Valuation					
Book Value	\$ 7.13	\$ 6.97	\$ 6.89	\$ 6.85	\$ 6.74
Tangible Book Value	\$ 7.05	\$ 6.89	\$ 6.81	\$ 6.77	\$ 6.65
Shares Outstanding (b)	6,927	6,927	6,900	6,878	6,884
Asset Quality (%)					
ACL / Total Loans	0.93	0.91	0.91	0.90	0.90
Non Performing Loans / Total Loans	1.13	0.96	0.94	0.91	0.22
Non Performing Assets / Total Assets	0.98	0.86	0.84	0.81	0.19

(a) Ratios at Bank level

(b) Shares information presented in thousands