



ES BANCSHARES, INC. ANNOUNCES FIRST QUARTER 2025 RESULTS; CONTINUES POSITIVE TREND OF NET INCOME AND NET INTEREST MARGIN EXPANSION

STATEN ISLAND, N.Y., April 18, 2025 (GLOBE NEWSWIRE) – ES Bancshares, Inc. (OTCQX: ESBS) (the “Company”) the holding company for Empire State Bank, (the “Bank”) today reported net income of \$546 thousand, or \$0.08 per diluted common share, for the quarter ended March 31, 2025, compared to a net income of \$466 thousand, or \$0.07 per diluted common share for the quarter ended December 31, 2024.

Key Quarterly Financial Data				2025 Highlights
Performance Metrics	1Q25	4Q24	1Q24	<ul style="list-style-type: none"> •The Cost of Funds for the three months ended March 31, 2025, improved to 2.69% from 2.87% in the prior linked quarter. •For 3 months ended March 31, 2025, the Company's net interest margin increased to 2.68% compared to 2.50% for the 3 months ended December 31, 2024. •The Company sold \$3 million in SBA 7a loan during the quarter, resulting in a gain on loan sale. • The Company generated \$236 thousand more in net interest income from the prior quarter. •Book value for the quarter ended March 31, 2025, totaled \$6.97 per share increasing for the fourth consecutive quarter.
Return on average assets (%)	0.35	0.29	(0.07)	
Return on average equity (%)	4.53	3.94	(0.90)	
Return on average tangible equity (%)	4.59	3.99	(0.91)	
Net interest margin (%)	2.68	2.50	2.12	
Income Statement (a)	1Q25	4Q24	1Q24	
Net interest income	\$ 4,112	\$ 3,876	\$ 3,203	
Non-interest income	\$ 349	\$ 372	\$ 215	
Net income	\$ 546	\$ 466	\$ (103)	
Earnings per diluted common share	\$ 0.08	\$ 0.07	\$ (0.02)	
Balance Sheet (a)	1Q25	4Q24	1Q24	
Average total loans	\$ 568,508	\$ 566,031	\$ 567,526	
Average total deposits	\$ 506,524	\$ 512,925	\$ 486,323	
Book value per share	\$ 6.97	\$ 6.89	\$ 6.75	
Tangible book value per share	\$ 6.89	\$ 6.81	\$ 6.67	

(a) In thousands except for per share amounts

Phil Guarnieri, Director, and Chief Executive Officer of ES Bancshares said “The first quarter of 2025 showed continued growth in net income, which is a result of management’s focus on interest rates and our containment of non-interest expenses. The recent turmoil in the market due to the uncertainty of tariffs is causing unforeseen challenges but our flexibility allows us to adapt to these changing economic conditions.”

Selected Balance Sheet Information:

March 31, 2025 vs. December 31, 2024

As of March 31, 2025, total assets were \$631.5 million, a decrease of \$5.2 million, or 0.8%, as compared to total assets of \$636.7 million on December 31, 2024. The decrease can be attributed to a slightly smaller loan portfolio.

Loans receivable, net of Allowance for Credit Losses on Loans totaled \$561.4 million, an increase of 0.4% from December 31, 2024. As of March 31, 2025, 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 \$5.5 million or 0.86% of total assets, as of March 31, 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 0.96%, as of March 31, 2025, and 0.94% for December 31, 2024. The increase from December 31, 2024, was primarily due to two commercial loans being placed on non-accrual status. One loan has a SBA guaranty and the other loan has a 50% loss sharing agreement.

Total liabilities decreased \$6.0 million to \$583.2 million at March 31, 2025, from \$589.2 million at December 31, 2024. The decrease can be attributed to a decrease in core deposits partially offset by overnight Federal Home Loan (FHLB) borrowings and growth in brokered deposits. The reduction in deposits was driven by a decrease in interest-bearing deposits, specifically 1031 exchange accounts as those deposits are short-term in nature.

As of March 31, 2025, the Bank's Tier 1 capital leverage ratio, common equity tier 1 capital ratio, Tier 1 capital ratio and total capital ratios were 9.46%, 13.81%, 13.81% and 15.06%, respectively, all in excess of the ratios required to be deemed "well-capitalized." During the first quarter of 2025 the Company did not repurchase shares under its stock repurchase program. Book value per common share was \$6.97 at March 31, 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 \$6.89 at March 31, 2025 compared to \$6.81 at December 31, 2024.

Financial Performance Overview:

Three Months Ended March 31, 2025, vs. December 31, 2024

For the three months ended March 31, 2025, the Company net income totaled \$546 thousand compared to a net income of \$466 thousand for the three months ended December 31, 2024. The increase can be attributed to higher net interest income partially offset by lower non-interest income and higher non-interest expenses, quarter over quarter.

Net interest income for the three months ended March 31, 2025, increased \$236 thousand, to \$4.1 million from \$3.9 million at three months ended December 31, 2024. The Company's net interest margin widened by eighteen basis points to 2.68% for the three months ended March 31, 2025, as compared to 2.50% for the three months ended December 31, 2024. The increase in margin can be attributed to a reduction of 12 basis points in the Company's average cost for its interest-bearing liabilities.

There was a \$30 thousand reversal for credit losses taken for the three months ended March 31, 2025, compared to a provision for credit losses of \$2 thousand for the three months ended December 31, 2024. The reversal for credit losses was due to lower ACL for investments and off-balance sheet positions, partially offset by an increase in the ACL for loans.

Non-interest income decreased \$23 thousand, to \$349 thousand for the three months ended March 31, 2025, compared with non-interest income of \$372 thousand for the three months ended December 31, 2024. The majority of the decreases can be attributed to lower service charges and fees and lower gain on loan sales.

Non-interest expenses totaled \$3.7 million for the three months ended March 31, 2025, compared to \$3.6 million for the three months ended December 31, 2024. The largest fluctuations quarter over quarter were due to a \$88 thousand increase in professional fees, due to larger legal expenses, an increase in compensation and benefits due to additional hires, and increased advertising expenses, partially offset by \$47 thousand decrease in other expenses.



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, 2025	December 31, 2024
	----(unaudited)----	
Assets		
Cash and cash equivalents	\$ 22,794	26,713
Securities, net	22,249	22,336
Loans receivable, net:		
Real estate mortgage loans	542,524	545,569
Commercial and Lines of Credit	19,617	14,418
Home Equity and Consumer Loans	386	398
Deferred costs	3,978	4,084
Allowance for Loan Credit Losses	(5,150)	(5,137)
Total loans receivable, net	561,355	559,330
Accrued interest receivable	2,641	2,628
Investment in restricted stock, at cost	4,778	4,335
Goodwill	581	581
Bank premises and equipment, net	4,635	4,845
Reposessed assets	-	-
Right of use lease assets	5,677	5,894
Bank Owned Life Insurance	5,527	5,489
Other Assets	1,274	4,589
Total Assets	\$ 631,511	636,739
Liabilities & Stockholders' Equity		
Non-Interest-Bearing Deposits	105,162	97,490
Interest-Bearing Deposits	369,660	395,593
Brokered Deposits	23,025	20,750
Total Deposits	497,847	513,833
Bond Issue, net of costs	11,797	11,787
Borrowed Money	59,898	50,083
Lease Liability	5,959	6,172
Other Liabilities	7,701	7,313
Total Liabilities	583,202	589,188
Stockholders' equity	48,309	47,551
Total liabilities and stockholders' equity	\$ 631,511	636,739

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

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
	------(unaudited)-----		
Interest income			
Loans	\$ 7,478	\$ 7,405	\$ 7,208
Securities	213	224	115
Other interest-earning assets	243	373	263
Total Interest Income	7,934	8,002	7,586
Interest expense			
Deposits	3,118	3,436	3,585
Borrowings	704	690	798
Total Interest Expense	3,822	4,126	4,383
Net Interest Income	4,112	3,876	3,203
(Rev)Prov for Credit Losses	(30)	2	39
Net Interest Income after (Rev)Prov for Credit Losses	4,142	3,874	3,164
Non-interest income			
Service charges and fees	175	192	172
Gain on loan sales	132	139	1
Gain on extinguishment of Sub-debt	-	-	-
Other	42	41	42
Total non-interest income	349	372	215
Non-interest expenses			
Compensation and benefits	1,689	1,662	1,721
Occupancy and equipment	669	618	668
Data processing service fees	315	295	326
Professional fees	335	247	181
FDIC & NYS Banking Assessments	113	132	97
Advertising	89	64	75
Insurance	53	56	50
Other	471	518	337
Total non-interest expense	3,734	3,592	3,455
Income prior to tax expense	757	654	(76)
Income taxes	211	188	27
Net Income	\$ 546	\$ 466	\$ (103)

ES Bancshares, Inc. Average Balance Sheet Data For the Three Months Ended (dollars in thousands)									
March 31, 2025			December 31, 2024			September 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	\$ 568,508	\$ 7,478	5.26%	\$ 564,745	\$ 7,405	5.24%	\$ 566,031	\$ 7,315	5.17%
Investment securities	22,839	213	3.73%	22,898	224	3.91%	22,480	218	3.87%
Other interest-earning assets	21,343	243	4.55%	31,135	373	4.69%	31,656	428	5.29%
Total interest-earning assets	612,690	7,934	5.18%	618,778	8,002	5.17%	620,167	7,961	5.13%
Non-interest earning assets	19,077			18,048			17,919		
Total assets	<u>\$ 631,767</u>			<u>\$ 636,826</u>			<u>\$ 638,086</u>		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing checking	\$ 36,869	\$ 31	0.34%	\$ 32,800	\$ 27	0.33%	\$ 33,512	\$ 55	0.65%
Savings accounts	205,503	1,443	2.85%	217,746	1,695	3.09%	200,248	1,728	3.42%
Certificates of deposit	166,005	1,644	4.02%	166,368	1,714	4.09%	173,577	1,891	4.32%
Total interest-bearing deposits	408,377	3,118	3.10%	416,914	3,436	3.27%	407,337	3,674	3.58%
Borrowings	50,124	514	4.16%	50,189	499	3.94%	52,984	519	3.89%
Subordinated debenture	11,793	190	6.44%	11,784	191	6.43%	13,726	201	5.81%
Total interest-bearing liabilities	470,294	3,822	3.30%	478,887	4,126	3.42%	474,047	4,394	3.68%
Non-interest-bearing demand deposits	98,147			96,011			104,782		
Other liabilities	15,188			14,581			13,046		
Total non-interest-bearing liabilities	113,335			110,592			117,828		
Stockholders' equity	48,138			47,347			46,211		
Total liabilities and stockholders' equity	<u>\$ 631,767</u>			<u>\$ 636,826</u>			<u>\$ 638,086</u>		
Net interest income		<u>\$ 4,112</u>			<u>\$ 3,876</u>			<u>\$ 3,567</u>	
Average interest rate spread		1.88%			1.75%			1.46%	
Net interest margin		2.68%			2.51%			2.30%	

Five Quarter Performance Ratio Highlights	Three Months Ended				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Performance Ratios (%) - annualized					
Return(loss) on Average Assets	0.35	0.29	0.36	0.10	(0.07)
Return(loss) on Average Equity	4.53	3.94	4.98	1.37	(0.90)
Return(loss) on Average Tangible Equity	4.59	3.99	5.04	1.38	(0.91)
Efficiency Ratio	83.71	84.58	81.70	92.86	101.08
Yields / Costs (%)					
Average Yield - Interest Earning Assets	5.18	5.17	5.13	5.16	5.03
Average Cost - Interest-bearing Liabilities	3.30	3.42	3.69	3.86	3.82
Net Interest Margin	2.68	2.50	2.30	2.21	2.12
Capital Ratios (%)					
Equity / Assets	7.65	7.47	7.44	7.12	7.34
Tangible Equity / Assets	7.56	7.38	7.36	7.03	7.26
Tier I leverage ratio (a)	9.46	9.31	9.18	9.30	9.52
Common equity Tier I capital ratio (a)	13.81	13.68	13.67	13.81	13.63
Tier 1 Risk-based capital ratio (a)	13.81	13.68	13.67	13.81	13.63
Total Risk-based capital ratio (a)	15.06	14.93	14.92	15.06	14.88
Stock Valuation					
Book Value	\$ 6.97	\$ 6.89	\$ 6.85	\$ 6.74	\$ 6.75
Tangible Book Value	\$ 6.89	\$ 6.81	\$ 6.77	\$ 6.65	\$ 6.67
Shares Outstanding (b)	6,927	6,900	6,878	6,884	6,834
Asset Quality (%)					
ACL / Total Loans	0.91	0.91	0.90	0.90	0.89
Non Performing Loans / Total Loans	0.96	0.94	0.91	0.22	0.24
Non Performing Assets / Total Assets	0.86	0.84	0.81	0.19	0.21

(a) Ratios at Bank level

(b) Shares information presented in thousands