



**ES BANCSHARES, INC. ANNOUNCES THIRD QUARTER 2024 RESULTS;
CONTINUES TREND OF NET INTEREST MARGIN EXPANSION AND REVENUE GROWTH**

STATEN ISLAND, N.Y., October 30, 2024 (GLOBE NEWSWIRE) – ES Bancshares, Inc. (OTCQX: ESBS) (the “Company”) the holding company for Empire State Bank, (the “Bank”) today reported net income of \$582 thousand, or \$0.08 per diluted common share, for the quarter ended September 30, 2024, compared to a net income of \$158 thousand or \$0.02 per diluted common share for the quarter ended June 30, 2024.

Key Quarterly Financial Data				2024 Highlights
Performance Metrics	3Q24	2Q24	3Q23	<ul style="list-style-type: none"> •The Cost of Funds for the three months ended September 30, 2024, improved to 3.02% from 3.17% in the prior linked quarter. •For 3 months ended September 30, 2024, the Company’s net interest margin increased to 2.30% compared to 2.21% for the 3 months ended June 30, 2024.
Return on average assets (%)	0.36	0.10	0.09	
Return on average equity (%)	4.98	1.37	1.17	
Return on average tangible equity (%)	5.04	1.38	1.18	
Net interest margin (%)	2.30	2.21	2.67	<ul style="list-style-type: none"> •The Company repurchased \$2million of its sub-debt during the quarter, resulting in a gain on extinguishment. • The Company has replaced \$56 million of higher-costing wholesale funding with lower cost organic deposits over the nine-months in 2024. •Total Revenues for the quarter ended September 30, 2024, totaled \$8.6 million increasing for an eighth consecutive quarter.
Income Statement (a)	3Q24	2Q24	3Q23	
Net interest income	\$ 3,567	\$ 3,447	\$ 3,977	
Non-interest income	\$ 609	\$ 329	\$ 256	
Net income	\$ 582	\$ 158	\$ 133	
Earnings per diluted common share	\$ 0.08	\$ 0.02	\$ 0.02	
Balance Sheet (a)	3Q24	2Q24	3Q23	
Average total loans	\$ 566,031	\$ 565,363	\$ 555,919	
Average total deposits	\$ 512,119	\$ 510,050	\$ 487,816	
Book value per share	\$ 6.85	\$ 6.74	\$ 6.79	
Tangible book value per share	\$ 6.77	\$ 6.65	\$ 6.71	

(a) In thousands except for per share amounts

Phil Guarnieri, Director, and Chief Executive Officer of ES Bancshares said “We are pleased to report solid progress this quarter, reflecting our commitment to enhancing the earnings profile of the organization and maintaining disciplined expense management. Despite a challenging and competitive landscape, the Company’s net interest margin increased by nine basis points for the second straight quarter. The Company’s balance sheet and capital position remain robust, and through the open market, we’ve partially paid down our subordinated debt, which will positively impact the margin going forward.”

Selected Balance Sheet Information:

September 30, 2024 vs. December 31, 2023

As of September 30, 2024, total assets were \$633.2 million, a decrease of \$5.5 million, or 0.9%, 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 \$560.0 million, a decrease of 0.7% from December 31, 2023. As of September 30, 2024, the Allowance for Credit Losses on Loans as a percentage of gross loans was 0.90%.



Nonperforming assets, which includes nonaccrual loans and foreclosed real estate were \$5.1 million or 0.81% of total assets, as of September 30, 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 0.91%, as of September 30, 2024, and 0.22% for December 31, 2023. The increase from December 31, 2023, was primarily due to one Commercial Real Estate loan 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 \$6.8 million to \$586.1 at September 30, 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 of September 30, 2024, the Bank's Tier 1 capital leverage ratio, common equity tier 1 capital ratio, Tier 1 capital ratio and total capital ratios were 9.18%, 13.67%, 13.67% and 14.92%, respectively, all in excess of the ratios required to be deemed "well-capitalized." During the third quarter 2024 the Company did not repurchase shares under its stock repurchase program. Book value per common share was \$6.85 at September 30, 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 \$6.77 at September 30, 2024 compared to \$6.74 at December 31, 2023.

Financial Performance Overview:

Three Months Ended September 30, 2024, vs. June 30, 2024

For the three months ended September 30, 2024, the Company net income totaled \$582 thousand compared to a net income of \$158 thousand for the three months ended June 30, 2024. The improvement can be attributed to an expanded margin and increased non-interest income quarter over quarter.

Net interest income for the three months ended September 30, 2024, increased \$120 thousand, to \$3.6 million from \$3.4 million at three months ended June 30, 2024. The Company's net interest margin widened by nine basis points to 2.30% for the three months ended September 30, 2024, as compared to 2.21% for the three months ended June 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 reversal for credit losses of \$38 thousand for the three months ended September 30, 2024, compared to a \$9 thousand provision for credit losses taken for the three months ended June 30, 2024.

Non-interest income increased \$280 thousand, to \$609 thousand for the three months ended September 30, 2024, compared with non-interest income of \$329 thousand for the three months ended June 30, 2024. The majority of the increase can be attributed to a \$245 thousand gain on extinguishment of the Company's subordinated debt.

Non-interest expenses totaled \$3.4 million for the three months ended September 30, 2024, compared to \$3.5 million for the three months ended June 30, 2024. The largest fluctuations quarter over quarter pertain to a 31% reduction in Professional fees, which decreased \$70 thousand to a more normalized level during the quarter ended September 30, 2024.



Nine months ended September 30, 2024 vs. September 30, 2023

For the nine months ended September 30, 2024, net income totaled \$637 thousand in comparison to \$1.4 million for the nine months ended September 30, 2023. The decrease can mainly be attributed to higher costs paid on deposits which increased \$5.0 million.

Net interest income for the nine months ended September 30, 2024, decreased 18% or \$2.2 million, to \$10.2 million from \$12.4 million at September 30, 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 \$10 thousand for the nine months ended September 30, 2024, compared to a \$103 thousand provision for the nine months ended September 30, 2023.

Non-interest income totaled \$1.2 million for the nine months ended September 30, 2024, compared with noninterest income of \$758 thousand for the nine months ended September 30, 2023. The increase can be attributed to the gain recorded on extinguishment of sub-debt which is partially offset by a decrease in gains recorded from loan sales period over period.

Operating expenses totaled \$10.4 million for the nine months ended September 30, 2024, compared to \$11.3 million for the nine months ended September 30, 2023, or a decrease of 8.1%. 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)

	September 30, 2024	December 31, 2023	September 30, 2023
	----(unaudited)----		----(unaudited)----
Assets			
Cash and cash equivalents	\$ 25,436	32,728	29,439
Securities, net	22,595	15,220	15,143
Loans receivable, net:			
Real estate mortgage loans	545,445	551,250	543,870
Commercial and Lines of Credit	14,729	12,823	13,950
Home Equity and Consumer Loans	709	700	704
Deferred costs	4,210	4,233	4,362
Allowance for Loan Credit Losses	(5,100)	(5,086)	(5,028)
Total loans receivable, net	559,993	563,920	557,858
Accrued interest receivable	2,670	2,625	2,533
Investment in restricted stock, at cost	4,342	5,191	5,782
Goodwill	581	581	581
Bank premises and equipment, net	5,050	5,600	5,608
Repossessed assets	-	-	164
Right of use lease assets	6,109	6,415	6,625
Bank Owned Life Insurance	5,450	5,341	5,305
Other Assets	1,014	1,129	1,278
Total Assets	\$ 633,240	638,750	630,316
Liabilities & Stockholders' Equity			
Non-Interest-Bearing Deposits	97,867	107,849	125,562
Interest-Bearing Deposits	389,340	329,695	302,509
Brokered Deposits	20,773	56,581	42,873
Total Deposits	507,980	494,125	470,944
Bond Issue, net of costs	11,780	13,708	13,701
Borrowed Money	50,267	70,805	83,980
Lease Liability	6,382	6,672	6,877
Other Liabilities	9,710	7,578	9,208
Total Liabilities	586,119	592,888	584,710
Stockholders' equity	47,121	45,862	45,606
Total liabilities and stockholders' equity	\$ 633,240	638,750	630,316



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

	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	------(unaudited)-----			-----(unaudited)----	
Interest income					
Loans	\$ 7,315	\$ 7,345	\$ 6,716	\$ 21,868	\$ 19,284
Securities	218	121	111	454	336
Other interest-earning assets	428	561	319	1,252	1,140
Total Interest Income	7,961	8,027	7,146	23,574	20,760
Interest expense					
Deposits	3,674	3,837	2,459	11,096	6,107
Borrowings	720	743	710	2,261	2,220
Total Interest Expense	4,394	4,580	3,169	13,357	8,327
Net Interest Income	3,567	3,447	3,977	10,217	12,433
(Rev)Prov for Credit Losses	(38)	9	86	10	103
Net Interest Income after (Rev)Prov for Credit Losses	3,605	3,438	3,891	10,207	12,330
Non-interest income					
Service charges and fees	264	200	205	636	508
Gain on loan sales	-	-	12	1	138
Gain on extinguishment of Sub-debt	245	-	-	245	-
Other	100	129	39	271	112
Total non-interest income	609	329	256	1,153	758
Non-interest expenses					
Compensation and benefits	1,719	1,728	1,856	5,168	5,664
Occupancy and equipment	618	605	729	1,891	2,010
Data processing service fees	315	317	397	958	1,039
Professional fees	155	225	315	561	747
FDIC & NYS Banking Assessments	100	99	71	296	183
Advertising	84	85	107	244	305
Insurance	55	46	54	151	140
Other	365	401	446	1,103	1,198
Total non-interest expense	3,411	3,506	3,975	10,372	11,286
Income prior to tax expense	803	261	172	988	1,802
Income taxes	221	103	39	351	414
Net Income	\$ 582	\$ 158	\$ 133	\$ 637	\$ 1,388

ES Bancshares, Inc.									
Average Balance Sheet Data									
For the Three Months Ended (dollars in thousands)									
	September 30, 2024			June 30, 2024			September 30, 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	\$ 566,031	\$ 7,315	5.17%	\$ 565,363	\$ 7,345	5.20%	\$ 555,919	\$ 6,716	4.83%
Investment securities	22,480	218	3.87%	15,513	121	3.13%	16,151	111	2.75%
Other interest-earning assets	31,656	428	5.29%	41,652	561	5.33%	24,532	319	5.12%
Total interest-earning assets	620,167	7,961	5.13%	622,528	8,027	5.16%	596,602	7,146	4.79%
Non-interest earning assets	17,919			16,398			17,371		
Total assets	<u>\$ 638,086</u>			<u>\$ 638,926</u>			<u>\$ 613,973</u>		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing checking	\$ 33,512	\$ 55	0.65%	\$ 36,692	\$ 71	0.77%	\$ 29,162	\$ 28	0.38%
Savings accounts	200,248	1,728	3.42%	175,686	1,629	3.72%	121,849	536	1.75%
Certificates of deposit	173,577	1,891	4.32%	194,806	2,137	4.40%	212,094	1,895	3.54%
Total interest-bearing deposits	407,337	3,674	3.58%	407,184	3,837	3.78%	363,105	2,459	2.69%
Borrowings	52,984	519	3.89%	55,510	522	3.77%	51,557	488	3.76%
Subordinated debenture	12,388	201	6.44%	13,726	221	6.46%	13,695	222	6.41%
Total interest-bearing liabilities	472,709	4,394	3.69%	476,420	4,580	3.86%	428,357	3,169	2.93%
Non-interest-bearing demand deposits	104,782			102,866			124,711		
Other liabilities	13,842			13,429			15,348		
Total non-interest-bearing liabilities	118,624			116,295			140,059		
Stockholders' equity	46,753			46,211			45,557		
Total liabilities and stockholders' equity	<u>\$ 638,086</u>			<u>\$ 638,926</u>			<u>\$ 613,973</u>		
Net interest income		<u>\$ 3,567</u>			<u>\$ 3,447</u>			<u>\$ 3,977</u>	
Average interest rate spread			1.45%			1.30%			1.86%
Net interest margin			2.30%			2.21%			2.67%

Five Quarter Performance Ratio Highlights	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Performance Ratios (%) - annualized					
Return(loss) on Average Assets	0.36	0.10	(0.07)	0.05	0.09
Return(loss) on Average Equity	4.98	1.37	(0.90)	0.73	1.17
Return(loss) on Average Tangible Equity	5.04	1.38	(0.91)	0.74	1.18
Efficiency Ratio	81.70	92.86	101.08	99.31	93.89
Yields / Costs (%)					
Average Yield - Interest Earning Assets	5.13	5.16	5.03	4.92	4.79
Average Cost - Interest-bearing Liabilities	3.69	3.86	3.82	3.55	2.93
Net Interest Margin	2.30	2.21	2.12	2.28	2.67
Capital Ratios (%)					
Equity / Assets	7.44	7.12	7.34	7.18	7.24
Tangible Equity / Assets	7.36	7.03	7.26	7.09	7.15
Tier I leverage ratio (a)	9.18	9.30	9.52	9.45	9.54
Common equity Tier I capital ratio (a)	13.67	13.81	13.63	13.60	13.47
Tier 1 Risk-based capital ratio (a)	13.67	13.81	13.63	13.60	13.47
Total Risk-based capital ratio (a)	14.92	15.06	14.88	14.85	14.63
Stock Valuation					
Book Value	\$ 6.85	\$ 6.74	\$ 6.75	\$ 6.83	\$ 6.79
Tangible Book Value	\$ 6.77	\$ 6.65	\$ 6.67	\$ 6.74	\$ 6.71
Shares Outstanding (b)	6,878	6,884	6,834	6,714	6,714
Asset Quality (%)					
ACL / Total Loans	0.90	0.90	0.89	0.89	0.89
Non Performing Loans / Total Loans	0.91	0.22	0.24	0.22	0.25
Non Performing Assets / Total Assets	0.81	0.19	0.21	0.22	0.25

(a) Ratios at Bank level

(b) Shares information presented in thousands