



FFBW, Inc. Announces Financial Results for the Three Months Ended September 30, 2024

Brookfield, WI, November 8, 2024 – FFBW, Inc. (OTCQX: FFBW) (the “Company”), the parent company of First Federal Bank of Wisconsin (the “Bank”), a federally chartered stock savings bank offering full-service commercial banking and consumer banking, today announced unaudited financial results for the three months ended September 30, 2024. For the three months ended September 30, 2024, net income was \$713,000, or \$0.16 per diluted share, compared to \$423,000, or \$0.09 per diluted share, for the three months ended September 30, 2023, a 68.6% increase quarter to quarter. For the three months ending September 30, 2024, the dilutive weighted average shares outstanding, which excludes unallocated employee stock ownership plan shares, were 4,452,000 compared to 4,565,000 for the three months ended September 30, 2023.

Share Repurchase Program

On December 18, 2023, the Company announced the adoption of a new repurchase program of up to an additional 400,000 shares of its common stock. As of November 7, 2024, 147,000 shares have been purchased since the new program was announced, reducing the number of shares outstanding to 4,883,000.

Financial Highlights at September 30, 2024

- At September 30, 2024, the Company had 4,883,000 shares outstanding, resulting in a tangible book value per share of \$15.51.
- At September 30, 2024, the Bank’s leverage ratio was 22.1%.

Edward H. Schaefer, President and CEO, commented, “Our vision of being a high performing community bank has been and will continue to be our goal. Our commitment to growing our net interest margin and buying back our stock at attractive prices, while maintaining a strong credit and compliance culture has driven shareholder value. Our tangible book value per share now exceeds \$15.50. We need to maintain our focus, while profitably expanding our small business model to continue to pursue our vision.”

Income Statement and Balance Sheet Overview

Total interest and dividend income decreased \$13,000 or 0.3%, to \$4.0 million for the three months ended September 30, 2024, compared to \$4.0 million for the three months ended September 30, 2023. The decrease is the result of a decline in interest-earning assets offset by an increase in the yield on those assets.

Total interest expense decreased \$40,000, or 3.0%, to \$1.3 million for the three months ended September 30, 2024, compared to \$1.3 million for the three months ended September 30, 2023, as a result of diminished reliance on alternative funding sources. Net interest margin for the three months ended September 30, 2024, was 3.7%, compared to 3.5% at September 30, 2023.

We recorded a negative credit loss provision of \$101,000 for the three months ended September 30, 2024, compared to \$0 for the three months ended September 30, 2023. The reduction was dictated by the credit factors influencing the reserve calculation, including a decline in the loan balances. At September 30, 2024, our allowance for credit losses was \$3.0 million, or 1.33%, of total loans.

Noninterest income decreased \$5,000, or 1.9%, to \$252,000 for the three months ended September 30, 2024, compared to \$257,000 for the three months ended September 30, 2023.

Noninterest expense decreased \$205,000, or 8.6%, to \$2.2 million for the three months ended September 30, 2024, compared to \$2.4 million for the three months ended September 30, 2023. The decrease was primarily due to reductions in employee expenses and professional fee expenses.

Total assets decreased \$17.9 million, or 5.6%, to \$300.1 million at September 30, 2024, from \$318.0 million at December 31, 2023, resulting primarily from a decrease of \$23.3 million, or 9.4%, in net loans, as a result of slower

than expected loan growth. Accumulated other comprehensive loss, net of income taxes was \$1.7 million at September 30, 2024, down from \$2.5 million at December 31, 2023.

Nonaccrual loans were \$95,000, or 0.04% of total loans, at September 30, 2024, and \$101,000, or 0.04% of total loans, at December 31, 2023.

About the Company

FFBW, Inc. is the holding company for First Federal Bank of Wisconsin, a wholly owned subsidiary. The Company's stock trades on OTCQX under the symbol "FFBW." First Federal Bank of Wisconsin is a full-service stock savings bank based in Waukesha, Wisconsin, servicing customers in Waukesha and Milwaukee Counties in Wisconsin through six branch locations.

Cautionary Statement Regarding Forward-Looking Statements

This release contains forward-looking statements, which can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "plan," "seek," "expect" and words of similar meaning. These forward-looking statements include but are not limited to: statements of our goals, intentions, and expectations; statements regarding our business plans, prospects, growth and operating strategies; statements regarding the quality of our loan and investment portfolios; and estimates of our risks and future costs and benefits. These forward-looking statements are based on current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties, and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: general economic conditions, either nationally or in our market areas, that are worse than expected; changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses; our ability to access cost-effective funding; fluctuations in real estate values and both residential and commercial real estate market conditions; demand for loans and deposits in our market area; our ability to implement and change our business strategies; competition among depository and other financial institutions; inflation and changes in the interest rate environment that reduce our margins and yields, our mortgage banking revenues, the fair value of financial instruments or our level of loan originations, or increase the level of defaults, losses and prepayments on loans we have made and make; adverse changes in the securities or secondary mortgage markets; changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements; changes in the quality or composition of our loan or investment portfolios; technological changes that may be more difficult or expensive than expected; the inability of third-party providers to perform as expected; our ability to manage market risk, credit risk and operational risk in the current economic environment; our ability to enter new markets successfully and capitalize on growth opportunities; changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board or the Public Company Accounting Oversight Board; and our ability to retain key employees;. Because of these and a wide variety of other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements.

Contact: Edward H. Schaefer, President & CEO
(262) 542-4448

FFBW, Inc.
Balance Sheets
September 30, 2024 (Unaudited) and December 31, 2023
(In thousands)

Assets	September 30, 2024	December 31, 2023
Cash and cash equivalents	\$14,788	\$5,754
Available for sale securities, stated at fair value	37,612	41,085
Net loans	225,343	248,690
Premises and equipment, net	6,251	6,388
Intangible assets	92	139
Other assets	16,018	15,985
TOTAL ASSETS	\$300,104	\$318,041
Liabilities and Equity		
Deposits and escrow	\$218,423	\$241,442
Borrowings	3,000	-
Other liabilities	2,839	2,349
Total liabilities	\$224,262	\$243,791
Total equity	\$75,842	\$74,250
TOTAL LIABILITIES AND EQUITY	\$300,104	\$318,041

FFBW, Inc.
Condensed Statements of Income
Three Months Ended September 30, 2024 and 2023 (Unaudited)
(In thousands, except share data)

	2024	2023
Interest and dividend income	\$3,991	\$4,004
Interest expense	1,292	1,332
Net interest income	\$2,699	\$2,672
Provision for credit losses	(101)	-
Net interest income after provision for credit losses	\$2,800	\$2,672
Noninterest income	252	257
Noninterest expense	2,171	2,376
Income before income taxes	\$881	\$553
Provision for income taxes	168	130
Net income	\$713	\$423
Earnings per share:		
Basic	\$0.16	\$0.09
Diluted	\$0.16	\$0.09