



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

Brookfield, WI, August 9, 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 June 30, 2024. For the three months ended June 30, 2024, net income was \$647,000, or \$0.15 per diluted share, compared to \$470,000, or \$0.10 per diluted share, for the three months ended June 30, 2023, a 37.7% increase quarter to quarter. For the three months ending June 30, 2024, the dilutive weighted average shares outstanding, which excludes unallocated employee stock ownership plan shares, were 4,454,000 compared to 4,681,000 for the three months ended June 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 August 8, 2024, 121,000 shares have been purchased since the new program was announced, reducing the number of shares outstanding to 4,911,000.

Financial Highlights at June 30, 2024

- At June 30, 2024, the Company had 4,911,000 shares outstanding, resulting in a tangible book value per share of \$15.11.
- At June 30, 2024, the Bank’s leverage ratio was 21.0%.

Edward H. Schaefer, President and CEO, commented, “Our discipline on deposit and loan pricing has resulted in an improvement in net interest margin that, in turn, has had a positive impact on earnings and tangible book value per share. As our stock continues to trade below book value, using our excess capital to repurchase our shares remains attractive.”

Income Statement and Balance Sheet Overview

Total interest and dividend income increased \$256,000 or 6.6%, to \$4.2 million for the three months ended June 30, 2024, compared to \$3.9 million for the three months ended June 30, 2023. The increase is the result of more favorable loan pricing on new and renewed deals.

Total interest expense increased \$251,000, or 21.7%, to \$1.4 million for the three months ended June 30, 2024, compared to \$1.2 million for the three months ended June 20, 2023, as a result of increased market rates and competitive pressures on deposits. Net interest margin for the three months ended June 30, 2024, was 3.7%, compared to 3.4% at June 30, 2023, and 3.5% at March 31, 2024.

The credit loss provision was \$0 for the three months ended June 30, 2024, compared to \$25,000 for the three months ended June 30, 2023. At June 30, 2024, our allowance for credit losses was \$3.1 million, or 1.27%, of total loans.

Noninterest income increased \$5,000, or 2.0%, to \$261,000 for the three months ended June 30, 2024, compared to \$256,000 for the three months ended June 30, 2023.

Noninterest expense decreased \$132,000, or 5.6%, to \$2.2 million for the three months ended June 30, 2023, compared to \$2.3 million for the three months ended June 30, 2023. The decrease was primarily due to reductions in employee expenses and professional fee expenses.

Total assets decreased \$10.1 million, or 3.2%, to \$308.0 million at June 30, 2024, from \$318.0 million at December 31, 2023, resulting primarily from a decrease of \$9.2 million, or 3.7%, in net loans, as a result of accelerated loan payoffs. Accumulated other comprehensive loss, net of income taxes was \$2.7 million at June 30, 2024, up from \$2.5 million at December 31, 2023.

Nonaccrual loans were \$97,000, or 0.04% of total loans, at June 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.

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

	June 30,	December 31,
Assets	2024	2023
Cash and cash equivalents	\$7,610	\$5,754
Available for sale securities, stated at fair value	37,956	41,085
Net loans	239,473	248,690
Premises and equipment, net	6,315	6,388
Intangible assets	105	139
Other assets	16,522	15,985
TOTAL ASSETS	\$307,981	\$318,041
Liabilities and Equity		
Deposits and escrow	\$226,743	\$241,442
Borrowings	4,000	-
Other liabilities	2,945	2,349
Total liabilities	\$233,688	\$243,791
Total equity	\$74,293	\$74,250
TOTAL LIABILITIES AND EQUITY	\$307,981	\$318,041

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

	2024	2023
Interest and dividend income	\$4,158	\$3,902
Interest expense	1,408	1,157
Net interest income	\$2,750	\$2,745
Provision for credit losses	-	25
Net interest income after provision for credit losses	\$2,750	\$2,720
Noninterest income	261	256
Noninterest expense	2,217	2,349
Income before income taxes	\$794	\$627
Provision for income taxes	147	157
Net income	\$647	\$470
Earnings per share:		
Basic	\$0.15	\$0.10
Diluted	\$0.15	\$0.10