



## **FFBW, Inc. Announces Financial Results for the Three Months Ended March 31, 2023**

**Brookfield, WI, May 5, 2023** – 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, consumer banking, and residential lending, today announced unaudited financial results for the three months ended March 31, 2023. For the three months ended March 31, 2023, net income was \$478,000, or \$0.10 per diluted share, compared to \$567,000, or \$0.09 per diluted share, for the three months ended March 31, 2022, a 15.7% decrease quarter to quarter. For the three months ending March 31, 2023, the dilutive weighted average shares outstanding, which excludes unallocated employee stock ownership plan shares, were 4,852,000 compared to 6,105,000 for the three months ended March 31, 2022.

### **Share Repurchase Programs**

On September 1, 2022, the Company announced it had adopted a program to repurchase up to 400,000 shares of its common stock. As of May 5, 2023, all 400,000 shares have been repurchased, completing the program and reducing the number of shares outstanding to 5,247,000. The Company has also received approval to repurchase an additional 170,000 shares under a new repurchase program which will begin following the issuance of this earnings release.

### **Financial Highlights at March 31, 2023**

- At March 31, 2023, the Company’s tangible book value per share was \$14.36.
- At March 31, 2023, the Bank’s leverage ratio was 21.7%.

Edward H. Schaefer, President and CEO, stated, “Our quarterly earnings trailed last year’s due to an additional provision needed to support our loan growth which will provide revenue growth for the remainder of the year. These are demanding times in the financial services industry; our strong capital position and diversified loan portfolio and deposit mix should allow us to continue to profitably grow our franchise value.”

### **Income Statement and Balance Sheet Overview**

Total interest and dividend income increased \$805,000 or 28.6%, to \$3.6 million for the three months ended March 31, 2023, compared to \$2.8 million for the three months ended March 31, 2022.

Total interest expense increased \$475,000, or 241.1%, to \$672,000 for the three months ended March 31, 2023, compared to \$197,000 for the three months ended March 31, 2022 as a result of higher market rates and competitive pressures on deposits.

The loan loss provision was \$141,000 for the three months ended March 31, 2023, compared to \$0 for the three months ended March 31, 2022. Almost all of the remaining \$436,000 increase in the allowance for loan losses was the result of the adoption of Accounting Standards Update (“ASU”) 2016-13, Measurement of Credit Losses on Financial Instruments (“CECL”) on January 1, 2023. At March 31, 2023, our allowance for loan losses was \$3.2 million, or 1.25%, of total loans.

Noninterest income decreased \$54,000, or 20.9%, to \$204,000 for the three months ended March 31, 2023, compared to \$258,000 for the three months ended March 31, 2022. Contributing to the change was a decrease in the gain on sale of loans of \$31,000.

Noninterest expense increased \$257,000, or 12.1%, to \$2.4 million for the three months ended March 31, 2023, compared to \$2.1 million for the three months ended March 31, 2022. The increase was primarily due to an increase in salaries and employee benefits expenses of \$108,000 and data processing expenses of \$69,000.

Total assets increased \$10 million, or 3.1%, to \$333 million at March 31, 2023, from \$323 million at December 31, 2022, resulting primarily from an increase of \$11 million in net loans. The Company increased borrowings by \$12 million to fund loan growth.

Nonaccrual loans were \$104,000, or 0.04% of total loans, at March 31, 2023 and \$146,000, or 0.06% of total loans, at December 31, 2022.

### **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 loan 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; the impact of the Dodd-Frank Act and the implementing regulations; 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, the Securities and Exchange Commission or the Public Company Accounting Oversight Board; 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**  
**March 31, 2023 (Unaudited) and December 31, 2022**  
**(In thousands)**

	<b>March 31,</b>	<b>December 31,</b>
<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$11,416	\$10,887
Available for sale securities, stated at fair value	45,744	47,330
Net loans	253,069	242,018
Premises and equipment, net	6,610	6,668
Intangible assets	200	221
Other assets	16,029	15,911
<b>TOTAL ASSETS</b>	<b>\$333,068</b>	<b>\$323,035</b>
<b>Liabilities and Equity</b>		
Deposits and escrow	\$235,340	\$234,658
Borrowings	20,000	8,000
Other liabilities	2,184	2,279
Total liabilities	\$257,524	\$244,937
Total equity	\$75,544	\$78,098
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$333,068</b>	<b>\$323,035</b>

**FFBW, Inc.**  
**Condensed Statements of Income**  
**Three Months Ended March 31, 2023 and 2022 (Unaudited)**  
**(In thousands, except share data)**

	<b>2023</b>	<b>2022</b>
Interest and dividend income:	\$3,615	\$2,810
Interest expense:	\$672	\$197
Net interest income	\$2,943	\$2,613
Provision for loan losses	\$141	\$0
Net interest income after provision for loan losses	\$2,802	\$2,613
Noninterest income:	\$204	\$258
Noninterest expense:	\$2,374	\$2,117
Income before income taxes	\$633	\$754
Provision for income taxes	\$155	\$187
Net income (loss)	\$478	\$567
Earnings (loss) per share		
Basic	\$0.10	\$0.09
Diluted	\$0.10	\$0.09