



FFBW, Inc. Announces Financial Results for the Three Months Ended September 30, 2023

Brookfield, WI, November 1, 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 September 30, 2023. For the three months ended September 30, 2023, net income was \$423,000, or \$0.09 per diluted share, compared to \$510,000, or \$0.10 per diluted share, for the three months ended September 30, 2022, a 17.1% decrease quarter to quarter. For the three months ending September 30, 2023, the dilutive weighted average shares outstanding, which excludes unallocated employee stock ownership plan shares, were 4,565,000 compared to 5,234,000 for the three months ended September 30, 2022.

Share Repurchase Program

On September 28, 2023, the Company announced the adoption of a new repurchase program of up to an additional 100,000 shares of its common stock. As of October 30, 2023, 68,000 shares have been repurchased, reducing the number of shares outstanding to 5,026,000.

Financial Highlights at September 30, 2023

- At September 30, 2023, the Company had 5,094,000 shares outstanding, resulting in a tangible book value per share of \$14.45.
- At September 30, 2023, the Bank’s leverage ratio was 21.4%.

Edward H. Schaefer, President and CEO, commented, “The current rate environment has put pressure on bank stock prices. Using our strong capital position, our stock buyback programs continue to be a very attractive way to increase shareholder value. Our conservative underwriting and disciplined approach to loan and deposit pricing will help us focus on margin and credit quality.”

Income Statement and Balance Sheet Overview

Total interest and dividend income increased \$837,000 or 26.4%, to \$4.0 million for the three months ended September 30, 2023, compared to \$3.2 million for the three months ended September 30, 2022. The increase is the result of loan growth and more favorable loan pricing on new and renewed deals.

Total interest expense increased \$1.1 million or 432.8%, to \$1.3 million for the three months ended September 30, 2023, compared to \$250,000 for the three months ended September 30, 2022, as a result of increased market rates and competitive pressures on deposits. Net interest margin for the three months ended September 30, 2023 was 3.5%, compared to 3.9% at September 30, 2022.

The credit loss provision was \$0 for the three months ended September 30, 2023, compared to \$93,000 for the three months ended September 30, 2022. At September 30, 2023, our allowance for credit losses was \$3.2 million, or 1.25%, of total loans.

Noninterest income increased \$9,000, or 3.6%, to \$257,000 for the three months ended September 30, 2023, compared to \$248,000 for the three months ended September 30, 2022.

Noninterest expense decreased \$18,000, or 0.8%, to \$2.4 million for the three months ended September 30, 2023, compared to \$2.4 million for the three months ended September 30, 2022. The decrease was primarily due to a decrease in technology expenses of \$19,000.

Total assets increased \$4.1 million, or 1.3%, to \$327.2 million at September 30, 2023, from \$323.0 million at December 31, 2022, resulting primarily from an increase in our loan portfolio. Accumulated other comprehensive loss, net of income taxes was \$3.8 million at September 30, 2023, up from \$3.1 million at December 31, 2022.

Nonaccrual loans were \$103,000, or 0.04% of total loans, at September 30, 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 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, the Securities and Exchange Commission 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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FBW, Inc.
Balance Sheets
September 30, 2023 (Unaudited) and December 31, 2022
(In thousands)

Assets	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$7,844	\$10,887
Available for sale securities, stated at fair value	40,317	47,330
Net loans	255,301	242,018
Premises and equipment, net	7,205	6,668
Intangible assets	159	221
Other assets	16,349	15,911
TOTAL ASSETS	\$327,175	\$323,035
Liabilities and Equity		
Deposits and escrow	\$245,363	\$234,658
Borrowings	5,000	8,000
Other liabilities	3,068	2,279
Total liabilities	\$253,431	\$244,937
Total equity	\$73,744	\$78,098
TOTAL LIABILITIES AND EQUITY	\$327,175	\$323,035

FBW, Inc.
Condensed Statements of Income
Three Months Ended September 30, 2023 and 2022 (Unaudited)
(In thousands, except share data)

	2023	2022
Interest and dividend income	\$4,004	\$3,167
Interest expense	1,332	250
Net interest income	\$2,672	\$2,917
Provision for loan losses	0	93
Net interest income after provision for credit losses	\$2,672	\$2,824
Noninterest income	257	248
Noninterest expense	2,376	2,394
Income before income taxes	\$553	\$678
Provision for income taxes	130	168
Net income	\$423	\$510
Earnings per share:		
Basic	\$0.09	\$0.10
Diluted	\$0.09	\$0.10