



FREEDOM BANCORP, INC.

BANKING ON THE FUTURE

ANNUAL
REPORT 2019

DEAR FELLOW SHAREHOLDER,

It is our sincere privilege to provide you with Freedom Bancorp's 2019 Annual Report. 2019 was a unique year in the banking industry and presented our Bank with a new set of challenges. Interest rate turmoil and fierce competition from local, regional and national banks has compressed interest margins, and changes in the State tax code increased our State tax liability significantly. Despite these obstacles, Freedom performed exceptionally well, growing at a pace well above its peers, and by year-end was again one of the top-rated banks in the State of New Jersey.

We are proud to report that Freedom Bancorp grew total assets 10.5% from \$424.7 million to \$469.2 million. This increase was driven by local, organic growth and, most importantly, by a prudent and sound loan pipeline. The total loan portfolio grew to \$409.7 million compared to \$384.7 million at the end of 2018, due to total loan closings of more than \$121 million. Freedom Bancorp consistently produces and services one of the highest performing loan portfolios of any bank in our asset class nationally. Additionally, we were able to grow the deposit base largely in tandem with loans, as total deposits grew from \$333.9 million to \$390 million or 16.8%.

Freedom ended 2019 with \$3.0 million in net income, and while that was 25.8% less than last year, in light of the numerous headwinds we faced, it was still a solid result. There were two primary factors that led to the decline in net income: (i) we made a substantial investment in improving our branch network and our online presence, and (ii) we experienced a compression in our net interest margin due to wide fluctuations in the interest rate markets that had a dramatic effect on the entire financial industry. Despite the margin compression, negative tax changes and growth-related expenses, Freedom continues to perform strongly as compared to its peers. After conversion of the outstanding preferred stock to common on January 1, 2019, book value was \$17.44 per share. By the end of 2019 book value had increased to \$19.02 per share, representing a 9.1% increase. The Bank substantially outpaced its peer group in return on equity, ending the year at 7.54%, which was 2.33% higher than the state average for our asset class.

As we look forward to 2020 and beyond, our commitment to community and growth remains steadfast. Our East Rutherford branch location is open and ready for new business! We are extremely excited to be able to serve the local community in East Rutherford, and we feel confident this strategic location will serve Freedom well as a gateway into Passaic and Hudson counties.

The Bank's vision of high-tech, high-touch will be an increasing theme in 2020. With the launch of our newly redesigned website we have added the ability to open deposit accounts and apply for mortgage loans online, as well as many other technological enhancements, providing greater functionality and convenience. In addition to the website upgrade, we have introduced the High Yield Savings account, which provides a spectacular rate of return and ease of use.

We hope to see you soon and we look forward to continued growth in 2020.



Paul S. Doherty III

PAUL S. DOHERTY III
Chairman



Matthew R. Carcich

MATTHEW R. CARCICH
President & Chief Executive Officer

FREEDOM BANCORP, INC.

BOARD OF DIRECTORS

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Berman & Bulbulbia
Hackensack, NJ

KURT HARTMANN, ESQ.

Vice Chairman of the Board
Hartmann Doherty Rosa
Berman & Bulbulbia
Hackensack, NJ

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President & Chief Executive Officer
Freedom Bank
Maywood, NJ

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Gramkow, Carnevale,
Seifert & Co, LLC
Oradell, NJ

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Attorney At Law
Hackensack, NJ

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Mallon & Cappuzzo, PC
Secaucus, NJ

ALAIN MULKAY, ESQ.

Mulkay & Rendo PC
North Bergen, NJ

DR. ANGEL MULKAY, MD

Mulkay Cardiology
Consultants, PC
Hackensack, NJ

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(PPAG)
Trenton, NJ

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Systems, Inc.
Wyckoff, NJ

STEPHEN G. TRAFLET, ESQ.

Trafler & Fabian
Morristown, NJ

FREEDOM BANK

EXECUTIVE OFFICERS

MATTHEW R. CARCICH

President &
Chief Executive Officer

DIANE SCRIVERI

Executive Vice President &
Chief Lending Officer

JENNIFER FLOOD

Executive Vice President
& Corporate Secretary

CARLO OROPESA

Executive Vice President
& Team Leader

JOEL SWEREN

Executive Vice President
& Chief Financial Officer

FREEDOM BANK

SENIOR OFFICERS

JESSICA DOYLE

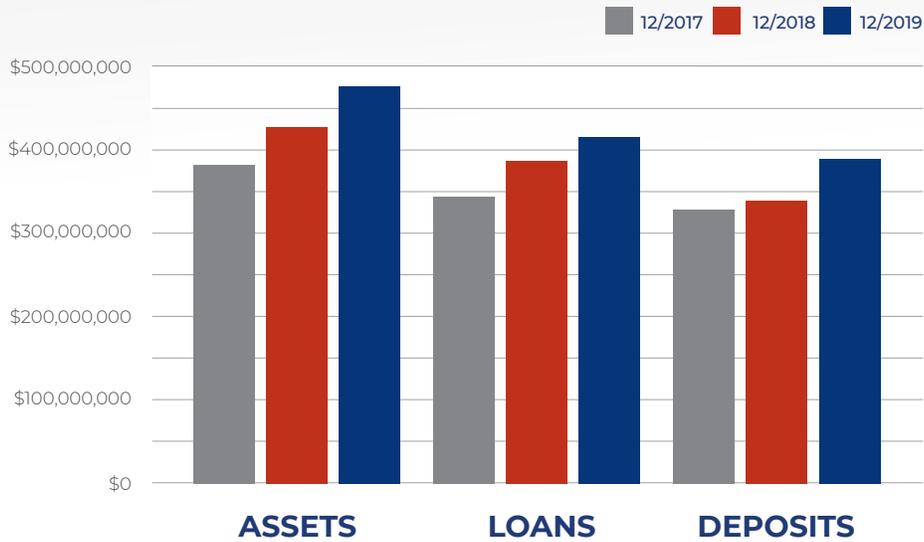
Senior Vice President &
Compliance Officer/BSA Officer

PAUL KEATING

Senior Vice President &
Senior Credit Officer

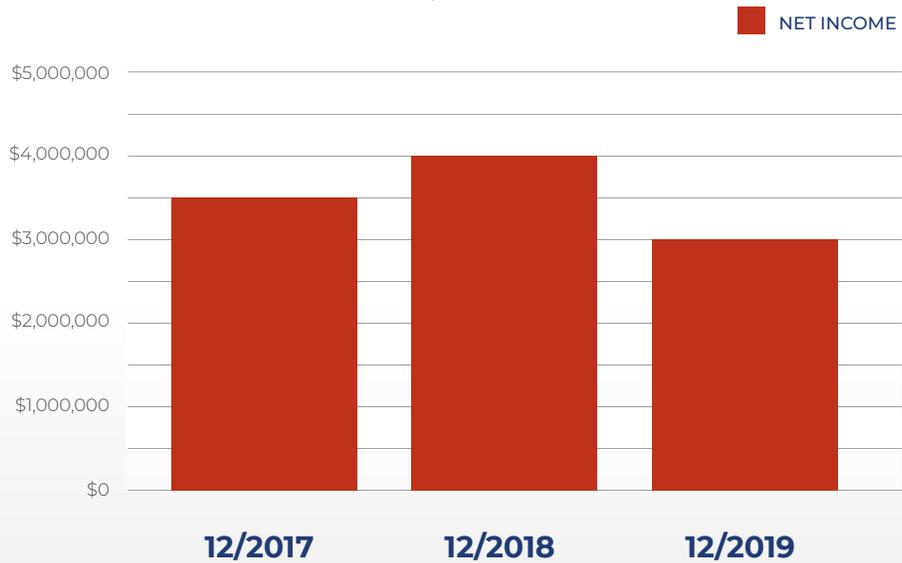
BALANCE SHEET

The balance sheet below highlights our Assets, Loans and Deposits from:



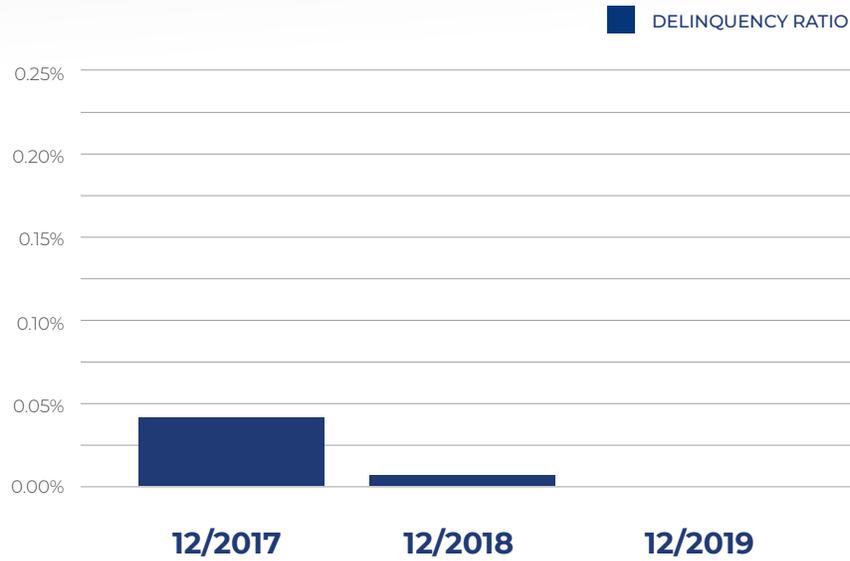
NET INCOME

The chart below shows our net income status from 12/2017, 12/2018 and 12/2019



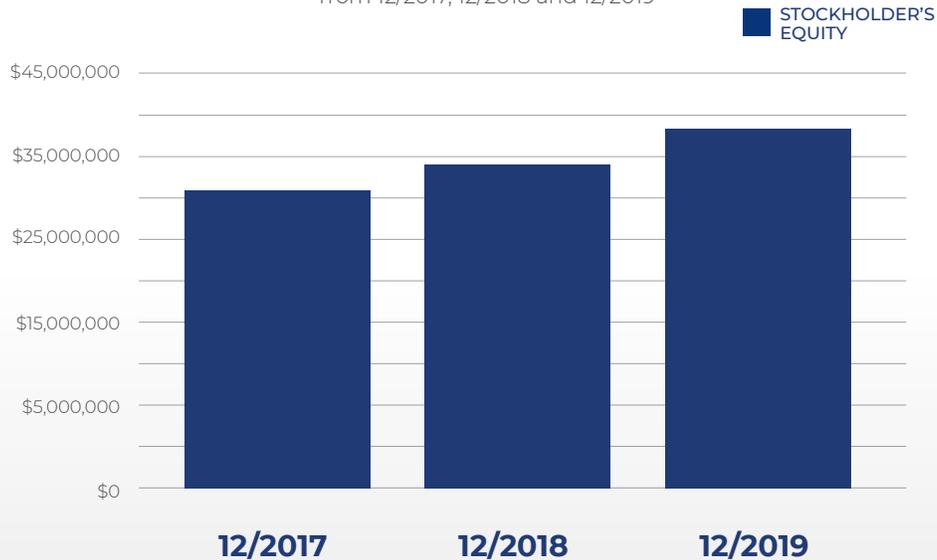
DELINQUENCY RATIO

The chart below depicts our delinquency ratio of loans which are contractually 60 days delinquent or more. The chart reflects 12/2017, 12/2018 and 12/2019.



STOCKHOLDER'S EQUITY

The chart below shows our Stockholder's Equity from 12/2017, 12/2018 and 12/2019



GROWING TOGETHER

2019 was an exciting year for Freedom Bank as we started the construction of our newest branch in East Rutherford, NJ and redesigned our website with the ability to open accounts online.

The East Rutherford branch opened its doors on February 10, 2020 making this our 5th branch location. Situated in a desirable part of Bergen County, it is located on the convenient North corridor of Route 17, which is a great compliment to the other three locations the Bank has on Route 17 South.

The East Rutherford branch manager brings more than 15 years of experience and knowledge in providing exemplary customer service and banking excellence. Her team is excited and ready to serve the community.

Freedom Bank has continued steady growth over the past year with our total loan portfolio growing to \$409.7 million compared to \$384.7 million at the end of 2018. We only expect continued growth as we expand our online presence and make it more convenient than ever for customers to bank with Freedom Bank. We are also 100% committed to providing high-tech, high-touch services at each of our branch locations.

We take pride in being a trusted partner in the communities we serve and appreciate the relationships that we have built over the years.

“Freedom Bank continues to grow and adapt to the ever-changing landscape of banking. We are committed to the communities we serve by providing multiple branch locations, however, we know that as banking evolves we need to provide a virtual option, which is why we are dedicated to redesigning and continually enhancing our website so that we may view it as our 6th bank branch.”

JENNIFER FLOOD

Executive Vice President of Operations
Freedom Bank





“ I started with one restaurant in another part of town and decided to take a leap and purchase a building along the waterfront in Guttenberg. I approached Freedom Bank and they were able to work out a business loan that was beneficial to me. The Guttenberg restaurant has 70 employees, and the 8-year relationship has been great with the Bank.

They are like family. It's that kind of relationship. That's the real deal, you couldn't match that kind of relationship with the large banks. I like that we're growing together. They have a small business perspective. ”

ALAN AND NAIRELYS LOPEZ

Owners Rumba Cubana, Guttenberg



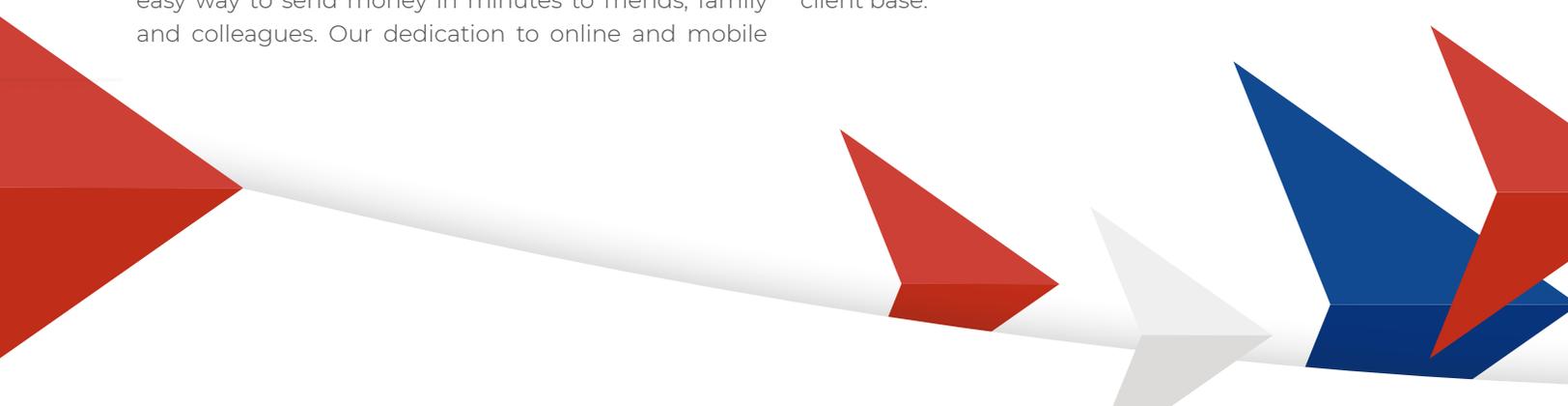
LOOKING FORWARD

2020 will be a year of transformation and growth as our commitment to technology and convenience flourishes through our newly redesigned website. Now, clients can open a new personal account at their fingertips. The new site is more robust, interactive and educational, delivering an optimal user experience. We will continue to enhance the website to allow for online loan applications and more.

In further commitment to customer-centric services, this spring we plan to launch Zelle® - a fast, safe and easy way to send money in minutes to friends, family and colleagues. Our dedication to online and mobile

banking does not take away from the excellent in-person service our customers have grown to love. Our branches will continue to grow and provide easy-to-use, efficient tools matched with unrivaled customer service.

Over the past eleven years, Freedom Bank has become a staple in the community and earned a reputation for trust, quality and excellence – none of which could happen without our dedicated staff and partners. We look forward to another great year ahead, forging new relationships and continuing to enhance our current client base.





FREEDOM BANCORP, INC.

East Rutherford

80 Route 17 N.
East Rutherford, NJ

Guttenberg

6812 Park Ave.
Guttenberg, NJ

Mahwah

380 Route 17 S. Suite 4
Mahwah, NJ

Maywood

99 West Essex St. 2nd Floor
Maywood, NJ

Ridgewood

375 Route 17 S.
Ridgewood, NJ

www.FBNJ.com
(201) 599-3000

