

We are pleased to present Manasquan Bank's Statements of Condition and Income for the year ended December 31, 2019.

The year 2019 was one of both *reflection*, as we completed our 145th consecutive year of uninterrupted service, and *achievement*, as we successfully completed the merger with another legacy organization, Metuchen Savings Bank on April 1, 2019.

During the year our Balance Sheet growth patterns continued in all of our critical areas that define our success:

- Residential Mortgage Loans
- Commercial Real Estate Loans
- Consumer & Equity Loans
- Commercial Credit Lines & Term-Loans

The growth in the Loan portfolio was fueled by an impressive funding (Deposits) increase of over 12%. We are optimistic that our 2019 franchise expansion, which included new branches in Metuchen, Shrewsbury, Little Egg Harbor and Stafford Township will be a further catalyst for rational, planned, profitable and strategic growth for our entire franchise. We are equally excited about our next expansion project, a branch on Route 34 in Colts Neck, on the campus of Delicious Orchards, scheduled to open the first quarter of 2020.

The 2019 aforementioned Balance Sheet growth provided the base for a successful year in terms of operating results. Our reported net income of \$12,041,000 was a record breaking year, far surpassing our past performance. Additionally, our capital total remains very strong and serves as a foundation for increased market growth and expansion.

In addition to the Metuchen merger, during 2019 there were a number of milestones/achievements that we proudly present:

- The American Banker magazine recognized Manasquan Bank as the Best Bank to Work For in New Jersey and 43rd Best Bank to Work For in the U.S. (total banks approximately 5,300).
- During 2019, the Manasquan Bank Charitable Foundation approved 97 grants, totaling in excess of \$150,000, to deserving charitable organizations in our market area.
- We successfully launched a new robust Manasquan Bank website, featuring a simpler layout and enhanced security using the .bank URL.
- We introduced Zelle®, in our host application, a Person-to-Person (P2P) payment service designed to send and receive money in seconds.

No achievement could have been possible without the support and guidance from our Board of Directors, and the commitment and dedication of each of our valued colleagues. That dedication combined with the loyalty and patronage of our depositors, borrowers and communities we humbly serve, provides Manasquan Bank the energy, enthusiasm, and continued passion as we continue on our never-ending quest to realize our mission to be ***"The Most Client-Centric Full Service Bank"***.

MANASQUAN BANK
STATEMENT OF CONDITION
December 31, 2019

ASSETS

Cash and Balances due from Depository Institutions.....	\$ 170,357,516
Securities:	
Securities of Us Government Agencies, State and Subdivisions.....	\$ 26,475,633
Mortgage Backed Securities.....	\$ 46,597,016
Stock in FHLB and ACBB.....	\$ 11,664,400
Stock in FHLMC, FNMA and Other Investments.....	\$ 606,473
Loans Receivable:	
Residential Mortgage Loans	\$ 474,326,178
Commercial Mortgage Loans	\$ 665,653,675
Loan Loss Reserves.....	\$ (14,135,611)
Consumer and Equity Loans	\$ 100,707,956
Commercial Credit Lines and Term Loans.....	\$ 230,041,823
Bank Premises and Fixed Assets.....	\$ 35,804,594
Other Real Estate Owned.....	\$ 203,748
Other Assets.....	\$ 26,147,132
TOTAL ASSETS.....	<u>\$ 1,774,450,533</u>

LIABILITIES

Deposits:	
Noninterest Bearing.....	\$ 191,673,541
Interest Bearing.....	\$ 1,315,269,928
Other Liabilities.....	\$ 96,162,506
TOTAL LIABILITIES.....	<u>\$ 1,603,105,975</u>

EQUITY CAPITAL

Common Stock.....	\$ 200,031
Accumulated Other Comprehensive Income.....	\$ 49,526
Unappropriated Members' Capital.....	\$ 30,038,000
Retained Earnings.....	\$ 141,057,001
TOTAL EQUITY CAPITAL.....	<u>\$ 171,344,558</u>
TOTAL LIABILITIES & EQUITY CAPITAL.....	<u>\$ 1,774,450,533</u>

STATEMENT OF INCOME

Interest Income.....	\$ 70,280,034
Interest Expense.....	\$ 18,132,494
Net Interest Income.....	\$ 52,147,540
Provision for Loan Losses.....	\$ 2,240,002
Net Interest Income after Provision of Loan Losses	\$ 49,907,538
Non Interest Income.....	\$ 5,421,446
Non Interest Expense.....	\$ 39,308,434
Income Before Income Taxes.....	\$ 16,020,550
Income Tax Expenses.....	\$ 3,979,413
NET INCOME.....	<u>\$ 12,041,137</u>

MEMBER

FDIC

New Jersey Bankers Association
Federal Home Loan Bank of NY
American Bankers Association
Atlantic Community Bankers Bank
Independent Community Bankers of America