BRUNSWICK BANCORP
2021 ANNUAL REPORT

March 30, 2022

Dear Fellow Shareholder,

We hope you and your loved ones are healthy and safe. While 2021 brought some normalcy following a difficult year, the COVID-19 pandemic continued to affect individuals around the world and in our community. We consider ourselves fortunate that the latest COVID-19 variants had minimal impact on our business and our ability to safely serve customers. We are proud of the entire Brunswick Bank and Trust team whose dedication to our customers in the local New Brunswick community allowed us to deliver strong results and continue driving value for shareholders.

The Board of Directors and management team believe the significant improvements in key metrics across the business over the last 12 months demonstrates the effectiveness of the Company's growth strategy. Brunswick's key results for the year ended December 31, 2021 are below:

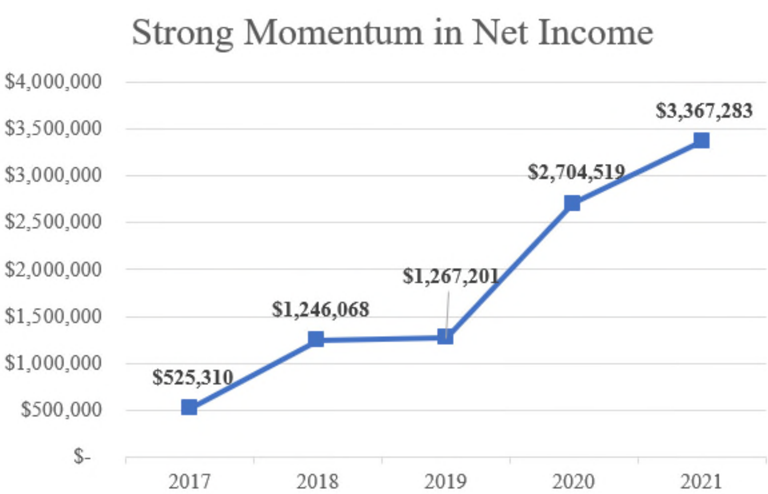
Metric	As of 12/31/20	As of 12/31/21	Growth
Total Assets	$316.0 M	$372.2 M	↑ 17.8%
Loan Portfolio	$237.9 M	$276.5 M	↑ 16.2%
Deposits	$232.2 M	$277.6 M	↑ 19.6%
Net Income	$2.705 M	$3.367 M	↑ 24.5%
Net Interest Income	$9.0 M	$11.8 M	↑ 30.4%
Loan Income	$10.96 M	$12.78 M	↑ 16.6%
Stockholder's Equity	$42.3 M	$44.6 M	↑ 5.4%
Core Earnings	$1.064 M	$3.258 M	↑ 206.3%
Book Value Per Share	$15.04/share	$15.82/share	↑ 5.2%

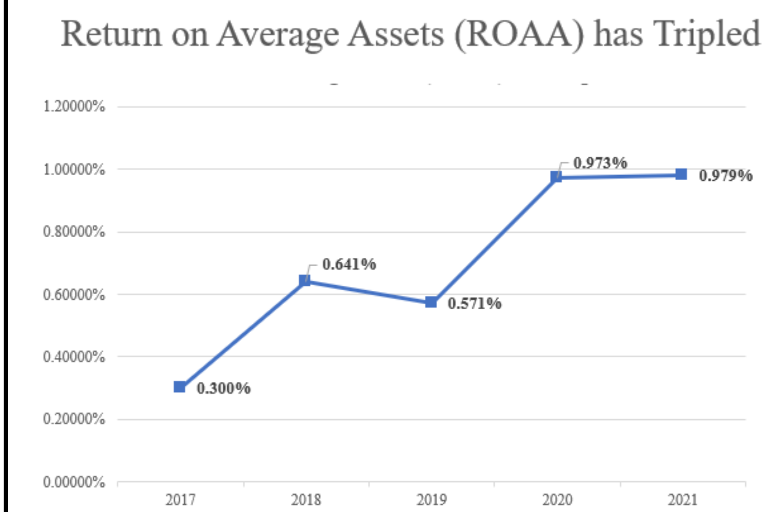
We achieved these results through a combination of our tried-and-true marketing and business development efforts, strategic repositioning of our asset portfolio and cost reduction efforts.

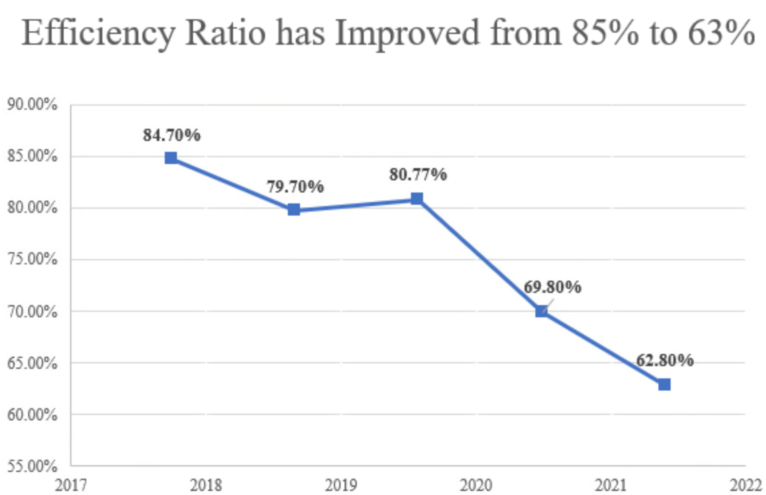
Top-Line Growth Initiatives	Bottom-Line Growth and Margin Expansion Initiatives
• **Increasing lending efforts** resulting in loan originations of $83.1 million, primarily in loans secured by commercial real estate	• **Lower occupancy costs and lease expenses** through the sale of the George Street location, purchase of the Livingston Avenue and North Brunswick branches, and closing of two underperforming branches
• **Continued implementation of marketing and business development efforts** to drive demand for loans as well as money market and certificate of deposit accounts	• **Purchasing securities with excess liquidity** to increase yield over the fed funds rate

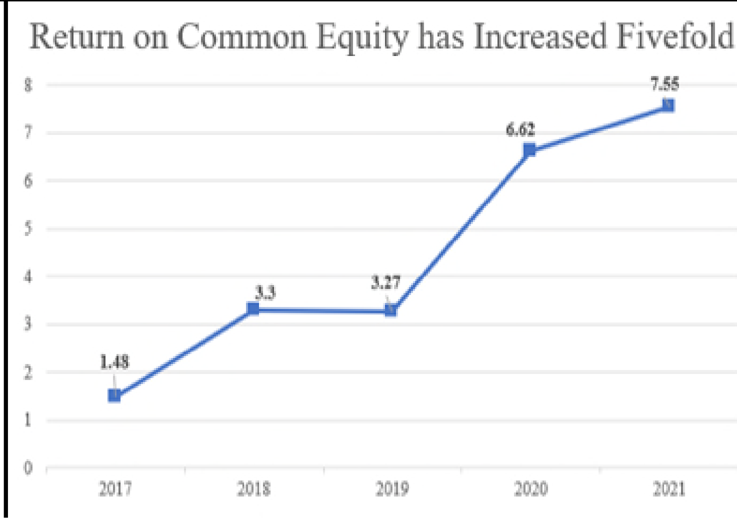
A Five-Year Review

With the end of 2021 came the conclusion of the first five full years of Nicholas A. Frungillo, Jr.'s tenure with Brunswick and the Bank. Over that time, Brunswick has grown substantially and significantly improved its key metrics as outlined in the charts below.









While these improvements are encouraging, the Board and management team recognize that there is still more work to be done. We are confident that there is significant upside remaining that can be unlocked through continued execution of our strategic plan.

Second Consecutive Special Cash Dividend

On February 15, 2022, Brunswick's Board of Directors decided to return a portion of the profits recognized from the last year to shareholders through a **special cash dividend of $0.12 per share, or approximately $337 thousand, that was paid on March 15, 2022**. This was Brunswick's second special dividend since the beginning of 2021. The special dividend was the result of our strong financial performance that stemmed from our focus on growth, reducing costs, and marketing and business development.

The Board and management team will continue to implement strategies designed to further improve performance on the top- and bottom-line to enhance value for all shareholders. Looking ahead, the Board and management team believe Brunswick is well positioned to continue to succeed.

Our 2022 Annual Meeting will be held virtually, as we concluded this was the best course of action given the unpredictability of COVID-19. The Annual Meeting will take place at 9:00 a.m. on Tuesday, April 26, 2022. Shareholders of record as of March 18, 2022 may participate in the Annual Meeting, vote and submit questions online by visiting www.cleartrustonline.com/brunswick. Please refer to our enclosed proxy statement for additional information about voting.

We thank you, our shareholders, for your continued support and business.

Sincerely Yours,

Frank Gumina, Jr.
Chairman

Nicholas A. Frungillo, Jr.
President & CEO

MARKET RANGE OF COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

Presently the stock of the corporation is traced with the NASDAQ under the symbol BRBW.

	2021		2020	
	High	**Low**	**High**	**Low**
1st Quarter	11.50	8.50	10.95	8.44
2nd Quarter	12.49	10.57	9.25	7.63
3rd Quarter	12.99	11.00	8.75	7.80
4th Quarter	14.10	12.90	9.05	7.70

BRUNSWICK BANCORP, INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

BRUNSWICK BANCORP, INC.
New Brunswick, New Jersey

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Brunswick Bancorp, Inc.
New Brunswick, New Jersey

Opinion

We have audited the consolidated financial statements of Brunswick Bancorp, Inc., which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Brunswick Bancorp, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brunswick Bancorp, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Brunswick Bancorp, Inc.'s ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Brunswick Bancorp, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Brunswick Bancorp, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

CROWE LLP

Crowe LLP

New York, New York
March 24, 2022

BRUNSWICK BANCORP, INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2020
(Dollar amounts in thousands except per share data)

	2021	2020
ASSETS		
Cash and due from banks	$ 19,596	$ 7,964
Interest bearing deposits	15,500	12,152
Cash and cash equivalents	35,096	20,116
Securities available-for-sale	39,758	36,839/
Securities held-to-maturity (fair value of $2,386 and $3,577 at December 31, 2021 and 2020, respectively)	2,367	3,524
Restricted bank stock, at cost	2,180	1,403
Loans receivable, net of allowance for loan losses of $2,864 at December 31, 2021 and $2,450 at December 31, 2020	276,523	237,886
Premises and equipment, net	4,493	3,834
Foreclosed real estate	4,894	4,894
Accrued interest receivable	906	875
Bank owned life insurance	3,241	3,148
Operating lease right-of-use assets	364	516
Other assets	2,371	2,931
Total assets	$ 372,193	$ 315,966
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Noninterest-bearing	$ 64,636	$ 51,016
Interest-bearing	212,967	181,219
Total deposits	277,603	232,235
Borrowings	47,172	37,427
Accrued interest payable	402	589
Advances from borrowers for taxes and insurance	1,342	1,063
Operating lease liabilities	382	520
Other liabilities	699	1,841
Total liabilities	327,600	273,675
Stockholders' equity		
Preferred stock, no stated value; 10,000,000 shares authorized and no shares issued at December 31, 2021 and 2020	-	-
Common stock, no par value; 10,000,000 shares authorized; 3,042,803 and 3,036,603 shares issued at December 31, 2021 and 2020, respectively	-	-
Additional paid-in-capital	7,984	7,797
Retained earnings	38,677	36,015
Accumulated other comprehensive (loss) income	(453)	94
Treasury stock at cost, 224,557 and 224,557 shares at December 31, 2021 and 2020, respectively	(1,615)	(1,615)
Total stockholders' equity	44,593	42,291
Total liabilities and stockholders' equity	$ 372,193	$ 315,966

See accompanying notes to consolidated financial statements

BRUNSWICK BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2021 and 2020
(Dollar amounts in thousands except per share data)

	2021	2020
Interest income:		
Loans receivable, including fees	$ 12,779	$ 10,963
Securities - taxable	424	350
Balances with banks	16	91
Total interest income	13,219	11,404
Interest expense:		
Deposits	1,147	2,163
Borrowings	370	211
Total interest expense	1,517	2,374
Net interest income	11,702	9,030
Provisions for loan losses	310	525
Net interest income after provision for loan losses	11,392	8,505
Other income:		
Service charges and fees on deposit accounts	672	673
Writedown on foreclosed assets, net of gain on sale	-	(61)
Other service charges and fees	280	209
Gain on sale of premises and equipment	-	2,201
Gain on sale of loans	453	-
Gain on sale of available-for-sale securities	-	159
Income from bank owned life insurance	93	96
Other income	296	114
Total other income	1,794	3,391
Other expenses:		
Salaries and employee benefits	4,738	4,554
Occupancy and equipment	773	970
Foreclosed real estate expense	75	80
Legal and professional	984	1,056
Office and administrative	80	66
FDIC assessment	90	57
Advertising and marketing	174	142
Other	1,562	1,222
Total other expenses	8,476	8,147
Income before income tax expense	4,710	3,749
Income tax expense	1,343	1,044
Net income	$ 3,367	$ 2,705
Earnings per share	$ 1.19	$ 0.96
Earnings per share (Diluted)	$ 1.17	$ 0.96

See accompanying notes to consolidated financial statements

BRUNSWICK BANCORP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2021 and 2020
(Dollar amounts in thousands except per share data)

	2021	2020
Net income	$ 3,367	$ 2,705
Other comprehensive (loss) income		
Unrealized holding (loss) gains on available-for-sale securities	(760)	316
Reclassifications of net gains on sale of available-for-sale securities	-	(159)
Tax effect	213	(45)
Other comprehensive (loss) income	(547)	112
Comprehensive income	$ 2,820	$ 2,817

See accompanying notes to consolidated financial statements

BRUNSWICK BANCORP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the years ended December 31, 2021 and 2020
(Dollar amounts in thousands except per share data)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, January 1, 2020	$ -	$ 7,700	$ 33,310	$ (18)	$ (1,620)	$ 39,372
Net income	-	-	2,705	-	-	2,705
Other comprehensive income	-	-	-	112	-	112
Sale treasury stock	-	-	-	-	5	5
Stock based compensation	-	97	-	-	-	97
Balance, December 31, 2020	-	7,797	36,015	94	(1,615)	42,291
Net income	-	-	3,367	-	-	3,367
Other comprehensive loss	-	-	-	(547)	-	(547)
Cash dividend ($0.25 per share)			(705)	-	-	(705)
Stock option exercised (Note 7)	-	53	-	-	-	53
Stock based compensation	-	134	-	-	-	134
Balance, December 31, 2021	$ -	$ 7,984	$ 38,677	$ (453)	$ (1,615)	$ 44,593

See accompanying notes to consolidated financial statements

BRUNSWICK BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Dollar amounts in thousands except per share data)

	2021	2020
Cash flows from operating activities		
Net income	$ 3,367	$ 2,705
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	310	525
Depreciation and amortization	262	326
Gain on available-for-sale securities	-	(159)
Stock based compensation	134	97
Gain on sale of premises and equipment	-	(2,201)
Gain on sale of loans	(453)	-
Amortization of premiums on investment securities	419	181
Writedown of foreclosed real estate	-	100
Earnings on bank owned life insurance	(93)	(96)
Gain on sale of foreclosed real estate	-	(39)
Net change in:		
Operating lease liabilities	(138)	(215)
Accrued interest receivable	(31)	(197)
Operating right of use asset	152	219
Other assets	773	(1,370)
Accrued interest payable	(187)	96
Other liabilities	(1,142)	1,258
Net cash provided by operating activities	3,373	1,230
Cash flows from investing activities		
Purchase of investment securities available-for-sale	(16,260)	(52,969)
Proceeds from sale of available-for-sale securities	-	15,127
Maturities, calls and paydowns of securities available-for-sale	12,202	7,281
Maturities, calls and paydowns of securities held-to-maturity	1,117	1,371
Net change in loans receivable	(38,494)	(42,146)
Purchases of restricted stock	(777)	(1,089)
Purchases of bank premises and equipment	(921)	(320)
Proceeds from sale of foreclosed real estate	-	637
Proceeds from sale of premises and equipment	-	633
Purchase of bank owned life insurance	-	-
Net cash used in investing activities	(43,133)	(71,475)
Cash flows from financing activities		
Net increase in deposits	45,368	38,135
Net increase (decrease) from borrowers for taxes and insurances	279	(238)
Net increase in borrowings	9,745	34,227
Dividends paid	(705)	-
Exercise of stock options	53	-
Sale treasury stock	-	5
Net cash provided by financing activities	54,740	72,129
Net increase in cash and cash equivalents	14,980	1,884
Cash and cash equivalents, beginning of the year	20,116	18,232
Cash and cash equivalents, end of the year	$ 35,096	$ 20,116

(Continued)

	2021	2020
Supplementary cash flows information		
Interest paid	$ 1,704	$ 2,278
Income taxes paid	2,132	401
Supplementary disclosure of cash flow information		
Foreclosed real estate acquired in settlements of loans	$ -	$ 218
Financing sale of property plant and equipment	-	1,892

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Brunswick Bancorp, Inc. (the "Company") is a bank holding company whose principal activity is the ownership and management of its wholly-owned subsidiaries, Brunswick Bank & Trust Company (the "Bank"), and is regulated by the Federal Reserve Bank. The Bank also has a wholly-owned investment subsidiary, BTB Investment Corp. Inc., who manages the Bank's investment portfolio. In addition, the Bank also has two other subsidiaries, Brunscor Realty, Inc. and Brunswick Title Agency. The Bank generates commercial, mortgage and consumer loans and receives deposits from customers located primarily in central New Jersey with primary emphasis on Middlesex and Monmouth Counties; services are provided at six locations. The Bank is subject to competition from other financial institutions and non-bank providers of financial services. The Bank is subject to regulation by the New Jersey Department of Banking and Insurance and the Federal Deposit Insurance Corporation.

Principles of Consolidation: The consolidated financial statements include the accounts of Brunswick Bancorp, Inc. and its wholly-owned subsidiaries, Brunswick Bank & Trust Company, BTB Investments Brunscor Realty, Inc. and Brunswick Title Agency, after elimination of all intercompany transactions and balances.

Subsequent Events: The Company has evaluated subsequent events for recognition and disclosure through March 24, 2022, which was the date this report was available to be issued.

Use of Estimates: To prepare consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the consolidated financial statements and the disclosures provided, and actual results could differ.

Significant Group Concentrations of Credit Risk: The Company's business is generated principally in central New Jersey. In Note 2, the types of securities that Company invests in are discussed. In Note 3, the types of lending that the Bank engages in is discussed. Although the Bank intends to have a diversified loan portfolio, its debtors' ability to honor their contracts will be influenced by the region's economy. The market and economic conditions increase demand for construction loans located in the State of New Jersey. As a result, credit risk is broadly dependent on the real estate market and general economic conditions in the state.

Securities: Debt securities are classified as held to maturity and carried at amortized cost when the Company has the positive intent and ability to hold them to maturity. Debt securities classified as available-for-sale are those securities that the Company intends to hold for an indefinite period of time, but not necessarily to maturity. Securities available-for-sale are carried at fair value. Any decision to sell a security classified as available-for-sale would be based on various factors, including significant movements in interest rates, changes in maturity mix of the Company's assets and liabilities, liquidity needs, regulatory capital considerations and other similar factors. Unrealized gains and losses are reported as increases or decreases in other comprehensive (loss) income. Realized gains or losses, are determined using the specific identification method. Premiums and discounts are recognized in interest income using the interest method over the terms of the securities without anticipating prepayments, except for mortgage backed securities where prepayments are anticipated.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management evaluates debt securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For debt securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: 1) OTTI related to credit loss, which must be recognized in the income statement and 2) other-than-temporary impairment ("OTTI") related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis.

Restricted Investment in Bank Stocks: Restricted stock, which represents a required investment in the common stock of two correspondent banks, is carried at cost and as of December 31, 2021 and 2020, consists of the common stock of the Atlantic Community Bankers Bank ("ACBB") and Federal Home Loan Bank of New York. Dividends declared are reported as income in the period declared.

Bank Owned Life Insurance: The Company has purchased life insurance policies key executives. Company owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Loans and Allowance for Loan Losses: The Bank's loan portfolio includes commercial, residential and consumer segments. Commercial loans typically consist of mortgage loans on owner-occupied and tenanted investment properties, and construction and land development loans. Residential loans are primarily comprised of loans secured by 1-4 family and multi-family residential properties. Consumer loans are primarily comprised of home equity loans, personal loans, traditional installment loans and other loans.

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at their outstanding unpaid principal balances, net of an allowance for loan losses and deferred fees or costs. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the yield (interest income) of the related loans using the effective yield method.

Interest income on loans is discontinued and placed on non-accrual status at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection. Past-due status is based on the contractual terms of the loan. In all cases, loans are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. Non-accrual loans and loans past due 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

All interest accrued but not received for loans placed on non-accrual is reversed against interest income. Interest received on such loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Under the cost-recovery method, interest income is not recognized until the loan balance is reduced to zero. Under the cash-basis method, interest income is recorded when the payment is received in cash. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The allowance for loan losses represents management's estimate of probable incurred losses in the loan portfolio as of the balance sheet date and is recorded as a reduction to loans. The allowance for loan losses is increased by the provision for loan losses and decreased by charge offs, net of recoveries. Loans deemed to be uncollectible are charged against the allowance for loan losses, and subsequent recoveries, if any, are credited to the allowance. All, or part, of the principal balance of loans receivable are charged off to the allowance as soon as it is determined that the repayment of all, or part, of the principal balance is highly unlikely. Non-residential consumer loans are generally charged off no later than 120 days past due on a contractual basis, earlier in the event of bankruptcy, or if there is an amount deemed uncollectible. Because all identified losses are immediately charged off, no portion of the allowance for loan losses is restricted to any individual loan or groups of loans, and the entire allowance is available to absorb any and all loan losses.

The allowance for loan losses is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management performs a quarterly evaluation of the adequacy of the allowance. The allowance is based on the Bank's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions and other relevant factors. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant revision as more information becomes available.

The allowance consists of specific and general components. The specific component relates to loans that are classified as impaired. For loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers pools of loans by loan class including commercial loans not considered impaired, as well as smaller balance homogeneous loans, such as residential, consumer and other loans. These pools of loans are evaluated for loss exposure based upon historical loss rates for each of these categories of loans, adjusted for qualitative factors. These qualitative risk factors include:

1. Lending policies and procedures, including underwriting standards and collection, charge off, and recovery practices.
2. National, regional, and local economic and business conditions as well as the condition of various market segments.
3. Nature and volume of the portfolio and terms of loans.
4. Experience, ability, and depth of lending management and staff.
5. Volume and severity of past due, classified and nonaccrual loans as well as other loan modifications.
6. Quality of the Bank's loan review system, and the degree of oversight by the Bank's Board of Directors.
7. Existence and effect of any concentrations of credit and changes in the level of such concentrations.
8. Effect of external factors, such as competition and legal and regulatory requirements.

Each factor is assigned a value to reflect improving, stable or declining conditions based on management's best judgment using relevant information available at the time of the evaluation. Adjustments to the factors are supported through documentation of changes in conditions in a narrative accompanying the allowance for loan loss calculation.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The unallocated reserve represents imprecision in the calculation and is considered a part of the non-impaired reserve. Changes in the unallocated are reviewed by management as a part of the review of the overall calculation.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and industrial loans, and commercial real estate loans by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Bank does not separately identify individual residential loans, consumer loans, or other loans for impairment disclosures, unless such loans are the subject of a troubled debt restructuring agreement.

Loans whose terms are modified are classified as troubled debt restructurings if the Bank grants such borrowers concessions and it is deemed that those borrowers are experiencing financial difficulty. Concessions granted under a troubled debt restructuring generally involve a temporary reduction in interest rate or an extension of a loan's stated maturity date. Nonaccrual troubled debt restructurings are restored to an accrual status if principal and interest payments, under the modified terms, are current for six consecutive months after modification. Loans classified as troubled debt restructurings are designated as impaired.

The allowance calculation methodology includes further segregation of loan classes into risk rating categories. The borrower's overall financial condition, repayment sources, guarantors and value of collateral, if appropriate, are evaluated annually for commercial loans or when credit deficiencies arise, such as delinquent loan payments, for residential and consumer loans.

On a regular basis the Bank reviews the ratings on all criticized and classified loans. The Bank engages an independent third-party loan review consultant to review the Bank's loan portfolio. As part of their scope they review a significant portion of criticized and classified loans.

The following portfolio segments have been identified: commercial loans, residential loans, and consumer and other loans:

Commercial: Commercial real estate loans and other commercial loans are made based primarily on the identified cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. Commercial real estate collateral is generally located within the Bank's geographic territories; while collateral for non-real estate secured commercial loans is typically accounts receivable, inventory, and/or equipment. Repayment is primarily dependent upon the borrower's ability to service the debt based upon cash flows generated from the underlying business. Additional support involves liquidation of the pledged collateral and enforcement of a personal guarantee, if a guarantee is obtained.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Residential real estate: Residential real estate loans, including first mortgages, home equity loans and home equity lines of credit, are collateralized by first or second liens on one-to-four family residences generally located within the Bank's market areas. Proof of ownership title, clear mortgage title, and hazard insurance coverage are normally required. Residential loans also include multifamily loans which are collateralized by first liens on the real estate and repayment is primarily dependent upon the borrower's ability to service the debt based on upon cash flows generated by the underlying properties.

Consumer and Other: Consumer and other loans are generally considered to have greater risk than first or second mortgages on real estate because they me be unsecured, or if they are secured, the value of the collateral may be difficult to assess and more likely to decrease in value than real estate.

Premises and Equipment: Premises and equipment are stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, ranging from one to seven years. Leasehold improvements are amortized over the length of the lease or estimated useful lives, whichever is shorter.

Foreclosed Real Estate: Foreclosed real estate is initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. Physical possession of residential real estate property collateralizing a consumer mortgage loan occurs when legal title is obtained upon completion of foreclosure or when the borrower conveys all interest in the property to satisfy the loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed.

Fair Value of Financial Instruments: Fair value of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate footnote. Fair value estimates involve uncertainties and matters of significant judgement regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect these estimates.

Transfers of Financial Assets: Transfers of financial assets, including loan participation sales, are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Advertising and Marketing Costs: Advertising costs are charged to operations in the year incurred.

Income Taxes: The Company accounts for income taxes in accordance with the accounting guidance set forth in FASB ASC Topic 740, Income Taxes.

Income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred income tax expense or benefit results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax assets will not be realized.

The Company accounts for uncertain tax positions if it is more-likely-than-not, based on the merits that the tax position will be realized or sustained upon examination. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment.

The Company recognizes interest and penalties on income taxes, if any, as a component of the provision for income taxes. There were no interest and penalties recognized in 2021 and 2020.

Off-Balance Sheet Financial Instruments: In the ordinary course of business, the Company enters into off-balance sheet financial instruments consisting of commitments to extend credit. Such financial instruments are recorded in the consolidated balance sheets when they are funded.

Stock-Based Compensation: Compensation cost is recognized for stock options and restricted stock awards issued to employees, based on the fair value of these awards at the date of grant. A Black-Scholes model is utilized to estimate the fair value of stock options, while the market price of the Company's common stock at the date of grant is used for restricted stock awards.

Compensation cost is recognized over the required service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award.

Earnings per Share: Basic earnings per share is net income divided by the weighted average number of shares outstanding net of treasury stock during the period. All outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends are considered participating securities for this calculation. Diluted earnings per share includes the dilutive effect of additional potential shares issuable under stock options. Earnings and dividends per share are restated for all stock splits and stock dividends through the date of issuance of the financial statements.

Comprehensive Income: Accounting principles generally accepted in the United States of America require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale debt securities, are reported as a separate component of the stockholders' equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

Statements of Cash Flows: The Company considers all cash amounts due from depository institutions, interest-bearing deposits in other banks and federal funds sold to be cash equivalents for purposes of the statements of cash flows. Generally, federal funds are sold for one day periods. Net cash flows are reported for customer loan and deposit transactions.

Leases: The Company enters into leases in the normal course of business primarily for financial centers, back-office operations locations and business development offices. The Company's leases have remaining terms ranging from 1 to 4 years, some of which include renewal options to extend for up to 15 years.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company includes lease extension in the lease term if, after considering relevant economic factors, it is reasonably certain the Company will exercise the option. The Company has also elected not to recognize leases with original lease terms of 12 months or less (short term leases) on the Company's balance sheet.

Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liability represent our obligation to make lease payments arising for the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The Company uses the discount rate which represents the Company's incremental borrowing rate at lease commencement to calculate the present value of lease payments when the rate implicit in a lease is not known.

NOTE 2 – DEBT SECURITIES

The following table summarizes the amortized cost and fair value of securities available-for-sale and securities held-to-maturity at December 31, 2021 and 2020 and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive related to available-for-sale securities and gross unrecognized gains and losses related to held-to-maturity securities (in thousands):

	Amortized Cost	Gross Unrealized/ Unrecognized Gains	Gross Unrealized/ Unrecognized Losses	Fair Value
December 31, 2021:				
Available-for-sale				
U.S. government and federal agency securities	$ 2,000	$ -	$ (29)	$ 1,971
Corporate debt securities	1,700	16	(6)	1,710
Collateralized mortgage obligations	10,157	-	(181)	9,976
Mortgage-backed securities - residential	26,526	-	(425)	26,101
Total available-for-sale	$ 40,383	$ 16	$ (641)	$ 39,758
Held-to-maturity				
Mortgage-backed securities - residential	$ 2,367	$ 27	$ (8)	$ 2,386
Total held-to-maturity	$ 2,367	$ 27	$ (8)	$ 2,386
December 31, 2020:				
Available-for-sale				
Corporate debt securities	$ 1,700	$ 3	$ (1)	$ 1,702
Collateralized mortgage obligations	12,403	56	(17)	12,442
Mortgage-backed securities - residential	22,601	110	(16)	22,695
Total available-for-sale	$ 36,704	$ 169	$ (34)	$ 36,839
Held-to-maturity				
Mortgage-backed securities - residential	$ 3,524	$ 60	$ (7)	$ 3,577
Total held-to-maturity	$ 3,524	$ 60	$ (7)	$ 3,577

(Continued)

(Dollar amounts in thousands except share and per share data)

NOTE 2 – DEBT SECURITIES (Continued)

The amortized cost and fair value of securities at December 31, 2021, by contractual maturity, are shown below. Expected cash flows will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. Securities without a stated maturity are shown separately.

	2021	
	Amortized Cost	Fair Value
Available-for-sale		
Due within five through ten years	$ 3,700	$ 3,681
Collateralized mortgage obligations	10,157	9,976
Mortgage-backed securities - residential	26,526	26,101
Total available-for-sale	$ 40,383	$ 39,758
Held-to-maturity		
Mortgage-backed securities - residential	$ 2,367	$ 2,386
Total held-to-maturity	$ 2,367	$ 2,386

There were no sales of securities for the year ended December 31, 2021. Proceeds from sales and calls of securities available-for-sale were $15,127 with gross gains of $161 and gross losses of $2 for the year ended December 31, 2020.

Securities with a carrying value of approximately $624 and $1,002 at December 31, 2021 and 2020, respectively, were pledged to secure public deposits and for other purposes required or permitted by law.

Securities with a carrying value of approximately $15,012 and $13,695 at December 31, 2021 and 2020, respectively, were pledged to secure FHLB borrowings.

At year-end 2021 and 2020, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of stockholders' equity.

The following table summarizes the available-for-sale investment securities with unrealized losses at December 31, 2021 and 2020, aggregated by security type and length of time in a continuous unrealized loss position:

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2021:						
U.S. government and federal agency securities	$ 1,971	$ (29)	$ -	$ -	$ 1,971	$ (29)
Corporate debt securities	494	(6)	-	-	494	(6)
Collateralized mortgage obligations	9,046	(151)	930	(30)	9,976	(181)
Mortgage-backed securities- residential	17,839	(254)	8,262	(171)	26,101	(425)
Total available-for-sale	$ 29,350	$ (440)	$ 9,192	$ (201)	$ 38,542	$ (641)

(Continued)

(Dollar amounts in thousands except share and per share data)

NOTE 2 – DEBT SECURITIES (Continued)

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2020:						
Corporate debt securities	$ 1,199	$ (1)	$ -	$ -	$ 1,199	$ (1)
Collateralized mortgage obligations	3,096	(17)	-	-	3,096	(17)
Mortgage-backed securities-residential	7,898	(16)	-	-	7,898	(16)
Total available-for-sale	$ 12,193	$ (34)	$ -	$ -	$ 12,193	$ (34)

The following table summarizes the held-to-maturity investment securities with unrecognized losses at December 31, 2021 and 2020, aggregated by security type and length of time in a continuous unrealized loss position:

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2021:						
Mortgage-backed securities-residential	$ -	$ -	$ 341	$ (8)	$ 341	$ (8)
Total held-to-maturity	$ -	$ -	$ 341	$ (8)	$ 341	$ (8)
December 31, 2020:						
Mortgage-backed securities-residential	$ 585	$ (4)	$ 130	$ (3)	$ 715	$ (7)
Total held-to-maturity	$ 585	$ (4)	$ 130	$ (3)	$ 715	$ (7)

As of December 31, 2021, the Bank's security portfolio consisted of 60 securities, of which 47 securities were in an unrealized loss position. Unrealized losses on agencies, collateralized mortgage obligations and mortgage-backed securities held by the Bank have not been recognized into income because holdings are all issued by U.S. Government-sponsored entities and agencies, primarily the FHLB, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation, institutions which the government has affirmed its commitment to support. All securities were of investment grade and the decline in fair value is largely due to changes in interest rates and not credit quality of the issuer. Unrealized losses on corporate debt securities have not been recognized into income because the issuers of the debt securities are of high credit quality. The fair value is expected to recover as the securities approach maturity. Additionally, as of December 31, 2021, management did not intend to sell and it is not more likely than not that management would be required to sell the securities prior to their anticipated recovery and therefore, no loss has been recognized as of December 31, 2021. No impairment charges were recorded for the years ended December 31, 2021 and 2020.

NOTE 3 – LOANS RECEIVABLE, NET

Loans, by class, at December 31, 2021 and 2020 are summarized as follows (in thousands):

	2021	2020
Commercial		
Commercial Real Estate	$ 151,237	$ 123,981
Commercial & Industrial	10,515	14,171
Construction & Land Development	16,392	18,976
Residential		
1-4 Family Residential	70,833	60,631
Multifamily	28,292	20,516
Consumer & Other	2,118	2,061
Total loans	279,387	240,336
Allowance for loan losses	(2,864)	(2,450)
Net loans	$ 276,523	$ 237,886

Commercial and Industrial Loans include Small Business Administration (SBA) Paycheck Protection Program (PPP) loans totaling $6,607 and $10,512 as of December 31, 2021 and 2020 respectively.

(Continued)

NOTE 3 – LOANS RECEIVABLE, NET (Continued)

The following tables reflects the aging and accrual status of the Company's loan portfolio, by class, as of December 31, 2021 and 2020 (in thousands):

	30-59 Days Past Due Still Accruing	60-89 Days Past Due Still Accruing	Greater Than 90 Days Still Accruing	Total Past Due Still Accruing	Current	Non-Accrual	Total Loans Receivables
December 31, 2021:							
Commercial							
Commercial Real Estate	$ -	$ -	$ -	$ -	$ 151,237	$ -	$ 151,237
Commercial & Industrial	-	-	-	-	10,515	-	10,515
Construction & Land Development	-	-	-	-	16,392	-	16,392
Residential							
1-4 Family Residential	-	533	-	533	69,556	744	70,833
Multifamily	-	-	-	-	28,292	-	28,292
Consumer & Other	-	-	-	-	2,118	-	2,118
	$ -	$ 533	$ -	$ 533	$ 278,110	$ 744	$ 279,387
December 31, 2020:							
Commercial							
Commercial Real Estate	$ -	$ -	$ -	$ -	$ 123,981	$ -	$ 123,981
Commercial & Industrial	-	-	-	-	14,171	-	14,171
Construction & Land Development	-	-	-	-	18,976	-	18,976
Residential							
1-4 Family Residential	99	-	-	99	59,752	780	60,631
Multifamily	-	-	-	-	20,516	-	20,516
Consumer & Other	-	-	-	-	2,061	-	2,061
	$ 99	$ -	$ -	$ 99	$ 239,457	$ 780	$ 240,336

(Continued)

(Dollar amounts in thousands except share and per share data)

NOTE 3 – LOANS RECEIVABLE, NET (Continued)

As of December 31, 2021 and 2020, the Company has a recorded investment in troubled debt restructurings of $1,605 and $1,757, respectively. The Company has no specific allowance for those loans at December 31, 2021 and 2020 and has no commitments to lend addition amounts.

The following table reflects information regarding loans, by class, modified as troubled debt restructurings for the year ended December 31, 2021.

	Number of Contracts	Pre-Modification Outstanding Recorded Investments	Post-Modification Outstanding Recorded Investments
December 31, 2021:			
Troubled debt restructurings:			
Residential			
1 – 4 family Residential	1	$ 47	$ 47
Commercial			
Commercial Real Estate	1	243	243
	2	$ 290	$ 290

The addition of the loans as troubled debt restructurings did not have a material impact to the allowance for loan losses during the year ended December 31, 2021. The modification of the terms of such loans performed during the year ended December 31, 2021 included extensions of the original term.

There were no loans modified as troubled debt restructurings for the year ended December 31, 2020.

A loan is considered to be in payment default once it is 30 days contractually past due under the modified terms. There were no loans modified as troubled debt restructurings for which there was a payment default within twelve months following the modification during the years ended December 31, 2021 and 2020.

In order to determine whether a borrower is experiencing financial difficulty, an evaluation is performed of the probability that the borrower will be in payment default on any of its debt in the foreseeable future without the modification. This evaluation is performed under the Company's internal underwriting policy.

Consistent with regulatory guidance and the provisions of the CARES Act, borrowers that were otherwise current on loan payments as of December 31, 2019 that were granted COVID-19 related financial hardship payment deferrals will continue to be reported as current loans during the deferral period and not evaluated as to whether they are troubled debt restructurings. As of December 31, 2021, the Company does not have any loans in modification under CARES Act.

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis includes all non-homogeneous loans, such as commercial and commercial real estate loans. This analysis is performed an at least an annual basis. The Company uses the following definitions for risk ratings:

(Continued)

(Dollar amounts in thousands except share and per share data)

NOTE 3 – LOANS RECEIVABLE, NET (Continued)

Special Mention. Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful. Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, that make the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Based on the most recent analysis performed, the risk category of loans by class of loans is as follows:

	Pass	Special Mention	Substandard
December 31, 2021:			
Commercial			
Commercial Real Estate	$ 146,959	$ 1,633	$ 2,645
Commercial & Industrial	10,515	-	-
Construction & Land Development	13,707	-	2,685
Residential			
1-4 Family Residential	69,115	-	1,718
Multifamily	28,292	-	-
Consumer & Other	2,118	-	-
	$ 270,706	$ 1,633	$ 7,048
December 31, 2020:			
Commercial			
Commercial Real Estate	$ 123,742	$ -	$ 239
Commercial & Industrial	14,171	-	-
Construction & Land Development	18,976	-	-
Residential			
1-4 Family Residential	59,746	-	885
Multifamily	20,516	-	-
Consumer & Other	2,061	-	-
	$ 239,212	$ -	$ 1,124

(Continued)

(Dollar amounts in thousands except share and per share data)

NOTE 3 – LOANS RECEIVABLE, NET (Continued)

The following tables present information related to impaired loans, by class, as of and for the years ended December 31, 2021 and 2020.

	As of December 31, 2021			For the year ended December 31, 2021
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
Commercial				
Commercial Real Estate	$ 775	$ 775	$ -	$ 788
Residential				
1-4 Family Residential	1,804	1,804	-	1,829
	$ 2,579	$ 2,579	$ -	$ 2,617

	As of December 31, 2020			For the year ended December 31, 2020
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
Commercial				
Commercial Real Estate	$ 1,249	$ 1,249	$ -	$ 1,264
Residential				
1-4 Family Residential	892	892	-	914
	$ 2,141	$ 2,141	$ -	$ 2,178

The recorded investment in loans excludes accrued interest receivable and loan origination fees, net due to immateriality. For the purposes of this disclosure, the unpaid principal balance is not reduced for partial charge-offs. Interest income on impaired loans was not material for 2021 and 2020.

(Continued)

NOTE 3 – LOANS RECEIVABLE, NET (Continued)

An analysis of the allowance for loan losses and the related loans receivable, by portfolio segment, at or for the years ended December 31, 2021 and 2020 is as follows (in thousands):

	Commercial	Residential	Consumer and Other	Unallocated	Total
December 31, 2021:					
Allowance for loan losses:					
Beginning balance	$ 1,362	$ 704	$ 18	$ 366	$ 2,450
Provisions for loan losses	179	126	-	5	310
Charge offs	-	-	-	-	-
Recoveries	77	27	-	-	104
Ending balance	$ 1,618	$ 857	$ 18	$ 371	$ 2,864
Ending balance, allowance for loan losses:					
Loans individually evaluated for impairment	$ -	$ -	$ -	$ -	$ -
Loans collectively evaluated for impairment	1,618	857	18	371	2,864
Total	$ 1,618	$ 857	$ 18	$ 371	$ 2,864
Related loan receivable balance:					
Loans individually evaluated for impairment	$ 775	$ 1,804	$ -	$ -	$ 2,579
Loans collectively evaluated for impairment	177,369	97,321	2,118	-	276,808
Total	$ 178,144	$ 99,125	$ 2,118	$ -	$ 279,387

(Continued)

(Dollar amounts in thousands except share and per share data)

NOTE 3 – LOANS RECEIVABLE, NET (Continued)

	Commercial	Residential	Consumer and Other	Unallocated	Total
December 31, 2020:					
Allowance for loan losses:					
Beginning balance	$ 1,247	$ 504	$ 19	$ 132	$ 1,902
Provisions for loan losses	113	179	(1)	234	525
Charge offs	-	-	-	-	-
Recoveries	2	21	-	-	23
Ending balance	$ 1,362	$ 704	$ 18	$ 366	$ 2,450
Ending balance, allowance for loan losses:					
Loans individually evaluated for impairment	$ -	$ -	$ -	$ -	$ -
Loans collectively evaluated for impairment	1,362	704	18	366	2,450
Total	$ 1,362	$ 704	$ 18	$ 366	$ 2,450
Related loan receivable balance:					
Loans individually evaluated for impairment	$ 1,249	$ 892	$ -	$ -	$ 2,141
Loans collectively evaluated for impairment	155,879	80,255	2,061	-	238,195
Total	$ 157,128	$ 81,147	$ 2,061	$ -	$ 240,336

(Continued)

NOTE 4 – PREMISES AND EQUIPMENT

A summary of premises and equipment at December 31, 2021 and 2020 follows (in thousands):

	2021	2020
Cost:		
Land	$ 1,540	$ 163
Bank premises	3,574	4,166
Furniture and equipment	2,576	2,537
Leasehold improvements	840	840
Automobiles	126	107
	8,656	7,813
Accumulated depreciation	4,163	3,979
Premises and equipment, net	$ 4,493	$ 3,834

Depreciation expense was approximately $262 and $326 for the years ended December 31, 2021 and 2020, respectively.

NOTE 5 – DEPOSITS

Deposit account balances at December 31, 2021 and 2020 are summarized as follows (in thousands):

	2021	2020
Non-interest bearing checking	$ 64,636	$ 51,016
Interest-bearing checking	14,675	12,213
Total checking	79,311	63,229
Savings and money market demand deposits	84,886	78,095
Certificates of deposit, under $250,000	82,335	61,284
Certificates of deposit, $250,000 and over	31,071	29,627
	$ 277,603	$ 232,235

Scheduled maturities of certificates of deposit are as follows (in thousands):

Year ending December 31,	
2022	$ 79,950
2023	20,908
2024	3,415
2025	7,131
2026	2,002
	$ 113,406

(Dollar amounts in thousands except share and per share data)

NOTE 6 – BORROWED FUNDS

The Bank has established lines of credit with financial institutions for the purchase of federal funds including an unsecured line of $3,000 and a secured line of $8,000 with Atlantic Community Bankers Bank as well as an unsecured line of $5,000 with Zions Bank. There were no borrowings outstanding on these lines as of December 31, 2021 and 2020.

The FHLB-NY approved the Bank to borrow up to 30% of its total assets based on available collateral, by pledging loans and or securities. At December 31, 2021 and 2020 respectively, fixed rate advances from the Federal Home Loan Bank were as follows:

December 31, 2021:

Maturity	Weighted Average Interest Rate	Amount
2024	1.11%	$ 10,000
2025	1.02%	21,700
2026	0.75%	5,000
2030	1.32%	5,000

December 31, 2020:

Maturity	Weighted Average Interest Rate	Amount
2025	1.02%	$ 21,700
2030	1.32%	5,000

Each advance is payable at its maturity date, with a prepayment penalty for fixed rate advances.

The Bank participated in the Paycheck Protection Program Liquidity Facility program with the Federal Reserve Bank of New York, whereas it was able to pledge its PPP loans that were secured with the SBA. There are no prepayment penalties associated with these borrowings. As at December 31, 2021 and 2020 respectively, these fixed rate borrowings have a maturity schedule as follows.

December 31, 2021:

5 year term	$ 5,472

December 31, 2020:

2 year term	$ 9,863
5 year term	864

NOTE 7 – EMPLOYEE BENEFIT PLANS

Retirement Plans and Other Employee Benefits: The Company established a new 401K plan effective January 1, 2020. The plan is a safe harbor where all funds contributed will be fully vested from day 1. The Company will match employee contributions 100% for the first 3% and 50% for the next 2% contributed for

(Dollar amounts in thousands except share and per share data)

NOTE 7 – EMPLOYEE BENEFIT PLANS (Continued)

a maximum match of 4% annually. There were employer contributions of $107 and $95 in 2021 and 2020, respectively.

Restricted Stock Award Plan: The Company maintains a Restricted Stock Award Plan for the purpose of granting shares, subject to restrictions, to key employees of the Company as a means of retaining and rewarding them for long-term performance and to increase their ownership in the Company. Shares awarded under the plan entitle the shareholder to all rights of common stock ownership except that the shares may not be sold, transferred, pledged, exchanged or otherwise disposed of during the restriction period. The total number of shares available under the Plan is 396,000 with 240,000 remaining to be issued. Compensation expense is recognized over the vesting period of awards based on the fair value of the stock at issue date.

A summary of changes in the Company's nonvested shares for the year follows:

Nonvested Shares	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2021	31,800	$ 8.40
Granted	-	-
Vested	(10,600)	13.28
Forfeited	-	
Nonvested at December 31, 2021	21,200	$ 13.28

Stock based compensation expense for 2021 and 2020 totaled $72 and $72. As of December 31, 2021, there was approximately $142 of total unrecognized compensation cost related to nonvested shares granted under the Restricted Stock Award Plan. The cost is expected to be recognized over a weighted-average period of 2 years.

Stock Option Plan: The Company's 2019 Employee Stock Option Plan, permits the grant of share options to its employees for up to 425,000 shares of common stock. Option awards are generally granted with an exercise price equal to the fair value price of the Company's common stock at the date of grant: those option awards have vesting periods ranging from 1 to 5 years and have 10 year contractual terms. Stock based compensation expense for 2021 and 2020 totaled $62 and $26.

The fair value of each option award is estimated on the date of grant using a closed form option valuation (Black-Scholes) model that uses the following assumptions noted in the table below. Expected volatilities are based on historical volatilities of the Company's common stock. The Company uses historical data to estimate option exercise and post-vesting termination behavior. The expected term of the options granted is based on the historical data and represents the period of time that the options granted are expected to be outstanding, which takes into account that the options are not transferable. The risk-free interest rate for the expected term of the option is based on the U.S. treasury yield curve in effect at the time of the grant. The fair value of the option was $3.56 and $1.13 per share for the years ended December 31, 2021 and 2020, respectively.

	2021	2020
Risk-free interest rate	1.25%	0.37%
Expected term	5 years	4.3 years
Expected stock price volatility	27.80%	15%

Dividend yield	0%	0%

NOTE 7 – EMPLOYEE BENEFIT PLANS (Continued)

A summary of the Company's outstanding stock options as of December 31, 2021 are as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding at beginning of year	221,000	$ 8.30	9.5
Granted	30,000	13.28	10.00
Exercised	(6,200)	8.70	-
Forfeited or expired	-	-	-
Outstanding at end of year	244,800	$ 8.90	9.8
Fully vested and expected to vest	61,594	$ 8.35	
Exercisable at end of year	61,594	$ 8.35	

As of December 31, 2021 there was $299 of total unrecognized compensation costs related to the nonvested options granted under the plan. The cost is expected to be recognized over a weighted-average period of 3.9 years.

NOTE 8 – INCOME TAXES

The consolidated provision for income taxes (benefit) consists of the following (in thousands):

	2021	2020
Current tax (benefit) expense:		
Federal	$ 975	$ 796
State	530	379
Deferred tax benefit	(162)	(131)
	$ 1,343	$ 1,044

The income tax provision for financial reporting purposes differs from the amount computed by applying the statutory income tax rate of 21% to income before income taxes for the years ended December 31, 2021 and 2020, respectively. The difference relates primarily to the impact of non-taxable income.

(Continued)

NOTE 8 – INCOME TAXES (Continued)

Due to the lack of forecasted capital gains, the Company has established a valuation allowance for OTTI that reduces the amount of its net deferred tax asset to an amount expected to be realized at December 31, 2021 and 2020 (in thousands).

	2021	2020
Deferred tax assets:		
Allowance for loan losses	$ 805	$ 688
Deferred loan fees & costs	47	-
Non-accrual interest	92	92
Other real estate owned write downs	28	28
Other than temporary impairment (OTTI) of securities	30	30
Unrealized loss on securities available-for-sale	174	-
Lease liability	107	146
Other	38	34
Total gross deferred tax assets	1,321	1,018
Less: Valuation allowance	(30)	(30)
Total Net deferred tax asset	1,291	988
Deferred tax liabilities:		
Depreciation	(13)	(3)
Right of use asset	(102)	(145)
Unrealized gain on securities available-for-sale	-	(39)
Total gross deferred tax liabilities	(115)	(187)
Net deferred tax assets	$ 1,176	$ 801

Deferred tax asset is included with other assets on the Consolidated Balance Sheets. The Company is subject to U.S. federal and New Jersey income taxes. The Company is no longer subject to examination by federal or New Jersey authorities for years prior to December 31, 2018 and December 31, 2017, respectively.

There are no uncertain tax positions as of December 31, 2021. In addition, uncertain tax positions are not expected to increase in the next twelve months.

NOTE 9 – RELATED PARTIES

The Company has entered into transactions with its directors, principal officers, their immediate families, and affiliated companies in which directors are principal stockholders.

Loans: Related parties were indebted to the Company for loans (in thousands).

	2021	2020
Beginning balance	$ 13,358	$ 15,146
Additional loans	2,806	1,957
Collection of principal	(3,811)	(3,745)
Ending balance	$ 12,353	$ 13,358

NOTE 9 – RELATED PARTIES (Continued)

Interest income on related party loans amounted to approximately $587 and $593 for the years ended December 31, 2021 and 2020, respectively. This represented 5% and 6% of interest income for the years ended December 31, 2021 and 2020, respectively.

Rent: Two operating locations of the Company are leased from related parties. Rent paid to those parties totaled approximately $146 and $226 for the years ended December 31, 2021 and 2020, respectively, and upon expiration of the lease, the Bank purchased one of these locations from a related party for $740. Rent paid for this location was $40 during 2021. Future lease payments for the remaining lease are included in the Lease footnote (Note 15).

Deposits: The Company is indebted to certain related parties for bank deposits made in the ordinary course of business of $8,546 and $6,985 at December 31, 2021 and 2020, respectively.

Legal Counsel: The Company retains legal counsel for certain matters with a related party. Amounts paid and expensed to such related party was $12 and $6 for the years ended December 31, 2021 and 2020, respectively.

NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES

In the normal course of business, the Company has outstanding commitments and contingent liabilities, such as commitments to extend credit and standby letters of credit, which are not included, in the accompanying consolidated financial statements. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and standby letters of credit is represented by the contractual or notional amount of those instruments. The Company uses the same credit policies in making such commitments as it does for instruments that are included in the consolidated balance sheet. Financial instruments whose contract amount represents credit risk are as follows (in thousands):

	2021	2020
Commitments to extend credit	$ 25,193	$ 24,489
Standby letters of credit	1,210	1,097
Consumer lines of credit	6,349	5,699
	$ 32,752	$ 31,285

Commitments to extend credit are agreements to lend to a customer as long as no violation of any condition established in the contract exists. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on Managements' credit evaluation. Collateral held varies, but may include accounts receivable, inventory, property and equipment, and income-producing commercial properties.

NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Standby letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Company's policy for obtaining collateral, and the nature of such collateral, is essentially the same as that involved in making commitments to extend credit.

The Company has not been required to perform on any financial guarantees during the past two years. The Company has not incurred any losses on its commitments in either 2021 or 2020.

The Company is party to litigation and claims arising during the normal course of business. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from such litigation and claims will not be material to the consolidated financial statements

NOTE 11 – FAIR VALUE MEASURMENTS AND DISCLOSURES

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values.

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Quoted prices that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Investment Securities: The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2), using matrix pricing. Matrix pricing is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3).

Impaired Loans: The Company generally measures impaired loans based on the fair value of the loan's collateral. Fair value is generally determined based upon independent third-party appraisals of the properties, or discounted cash flows based upon expected proceeds. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements. There were no impaired loans recorded at fair value at December 31, 2021 and 2020.

(Continued)

NOTE 11 – FAIR VALUE MEASURMENTS AND DISCLOSURES (Continued)

Foreclosed Real Estate: Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. Fair value is commonly based on recent real estate appraisals which are updated periodically. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach with data from comparable properties. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available.

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used at December 31, 2021 were as follows (in thousands):

	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2021				
Investment securities available-for-sale:				
U.S. government and federal agency securities	$ 1,971	$ -	$ 1,971	$ -
Corporate debt securities	1,710	-	1,710	-
Collateralized mortgage obligations	9,976	-	9,976	-
Mortgage-backed securities:				
Residential	26,101	-	26,101	-
	$ 39,758	$ -	$ 39,758	$ -

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used at December 31, 2020 were as follows (in thousands):

	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020				
Investment securities available-for-sale:				
Corporate debt securities	$ 1,702	$ -	$ 1,702	$ -
Collateralized mortgage obligations	12,442	-	12,442	-
Mortgage-backed securities:				
Residential	22,695	-	22,695	-
	$ 36,839	$ -	$ 36,839	$ -

(Continued)

NOTE 11 – FAIR VALUE MEASURMENTS AND DISCLOSURES (Continued)

For financial assets measured at fair value on a nonrecurring basis, the fair value measurements by level within the fair value hierarchy used at December 31, 2021 and 2020 are as follows:

	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2021				
Foreclosed real estate	$ 4,894	$ -	$ -	$ 4,894
	$ 4,894	$ -	$ -	$ 4,894
December 31, 2020				
Foreclosed real estate	$ 4,894	$ -	$ -	$ 4,894
	$ 4,894	$ -	$ -	$ 4,894

Writedowns on foreclosed real estate were $0 and $100 for the years ended December 31, 2021 and 2020, respectively.

The table below presents additional quantitative information about level 3 assets measured at fair value on a nonrecurring basis (dollars in thousands):

	Qualitative Information about Level 3 Fair Value Measurements			
	Fair Value	Valuation Techniques	Unobservable Input	Range Weighted Average [3]
December 31, 2021				
Foreclosed real estate	$ 4,894	Fair value of collateral [1]	Appraised value[2]	20% - 35%
December 31, 2020				
Foreclosed real estate	$ 4,894	Fair value of collateral [1]	Appraised value[2]	20% - 35%

(1) Fair value is generally determined through independent appraisals of the underlying collateral, which include level 3 inputs that are not identifiable.

(2) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses.

(3) The range and weighted average of qualitative factors such as economic conditions and estimated liquidation expenses are presented as a percent of the appraised value.

(Continued)

(Dollar amounts in thousands except share and per share data)

NOTE 11 – FAIR VALUE MEASURMENTS AND DISCLOSURES (Continued)

Carrying amounts and estimated fair values of financial instruments not carried at fair value as of December 31, 2021 and 2020 were as follows (represents exit price):

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash and cash equivalents	$ 35,096	$ 35,096	$ 20,116	$ 20,116
Securities held-to-maturity	2,367	2,386	3,524	3,577
Loans receivable, net	276,523	285,963	237,886	250,494
Restricted stock	2,180	N/A	1,403	N/A
Accrued interest receivable	906	906	875	875
Liabilities:				
Certificate of deposit accounts	113,406	113,589	90,911	92,321
Other deposits	164,197	164,197	141,324	141,324
Accrued interest payable	402	402	589	589
Advances from borrowers for taxes and insurance	1,342	1,342	1,063	1,063
Borrowings	47,172	46,974	37,427	37,716

NOTE 12 – REVENUE FROM CONTRACTS WITH CUSTOMERS

All of the Corporation's revenue from contracts with customers in the scope of ASC 606 is recognized within Noninterest Income. The following table presents the Corporation's sources of Non-Interest Income for the twelve months ended December 31, 2021 and 2020. Items outside the scope of ASC 606 are noted as such.

	Year Ended December 31,	
	2021	2020
Noninterest income		
Service charges and fees on deposit accounts	$ 672	$ 673
Writedown on foreclosed assets, net of gain on sale	-	(61)
Gain on sale of securities [(a)]	-	159
Gain on sale of premises and equipment	-	2,201
Gain on sale of loans [(a)]	453	-
BOLI Income [(a)]	93	96
Other services charges and fees	280	209
Other income	296	114
Total	$ 1,794	$ 3,391

[(a)] Not within the scope of ASC 606

Service Charges and Fees on Deposit Accounts: The Company earns fees from its deposit customers for transaction-based and account maintenance services. Transaction-based fees, which include services such as return item fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. Service charges on deposits are withdrawn from the customer's account balance.

(Continued)

NOTE 12 – REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Other Service Charges and Fees: The Company collects fees for additional services from its customers. These services include the rental of safe deposit boxes, check cashing fees, wire transfer fees and official checks and money order fees.

Other Income: All other income items are captured here including ATM fees, rental income and other miscellaneous items.

Gains/Losses on Sales of Premises and Equipment: The Company records a gain or loss from the sale of premises and equipment when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. When the Company finances the sale of premises and equipment to the buyer, the Company assesses whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once the criteria are met, the premises and equipment asset is derecognized and the gain or loss on the sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Company adjusts the transaction price and related gain (loss) on the sale if a significant financing component is present.

NOTE 13 – REGULATORY CAPITAL

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities and certain off balance sheet items calculated under regulatory accounting principles. Capital amounts and classifications are also subject to qualitative judgements by regulators. Failure to meet capital requirements can initiate regulatory action. The net unrealized gain or loss on available for sale securities is included in computing regulatory capital. Management believed as of December 31, 2021, the company and Bank meet all capital adequacy requirements to which they are subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At year-end 2021 and 2020, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution’s category.

NOTE 13 – REGULATORY CAPITAL (Continued)

The Bank's actual and required capital amounts and ratios are as follows (dollars in thousands):

	Actual		For Capital Adequacy Purposes		To be Well Capitalized Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2021						
Total risk based capital (to risk weighed assets)	$ 46,683	16.22%	$ ≥23,018	≥8.0%	$ ≥28,773	>10.0%
Tier 1 capital (to risk weighted assets)	43,819	15.23	≥17,264	≥6.0	≥23,018	≥8.0
Common equity tier 1 capital (to risk weighted assets)	43,819	15.23	≥12,948	≥4.5	≥18,702	≥6.5
Tier 1 capital (to average assets)	43,819	12.07	≥14,516	≥4.0	≥18,146	≥5.0
December 31, 2020						
Total risk based capital (to risk weighed assets)	$ 41,687	17.09%	$ ≥19,513	≥8.0%	$ ≥24,392	>10.0%
Tier 1 capital (to risk weighted assets)	39,321	16.12	≥14,635	≥6.0	≥19,513	≥8.0
Common equity tier 1 capital (to risk weighted assets)	39,321	16.12	≥10,976	≥4.5	≥15,854	≥6.5
Tier 1 capital (to average assets)	39,321	13.17	≥11,940	≥4.0	≥14,925	≥5.0

(Continued)

NOTE 14 – LEASES

Lease payments paid totaled approximately $170 and $232 for the years ended December 31, 2021 and 2020, respectively. Lease expense was $188 and $252 for the years ended 2021 and 2020, respectively. The weighted average lease term for operating leases and weighted average discount rate for operating leases was 1.82 years and 3.87% respectively.

Future undiscounted lease payments for related party operating leases with initial terms of one year or more as of December 31, 2021 are as follows: (in thousands):

	Operating Leases
2022	$ 127
2023	131
2024	135
Total Undiscounted lease payments	393
Less: Imputed interest	(11)
Net lease liabilities	$ 382

NOTE 15 – EARNINGS PER SHARE

The factors used in the earnings per share computation follow:

	2021	2020
Basic		
Net income	$ 3,367	$ 2,705
Less: Income allocated to participating shares	37	41
Income available to common shareholders	3,330	2,664
Weighted average common share outstanding	2,786,610	2,770,141
Basic earnings per common share	$ 1.19	$ 0.96
Diluted		
Net income available to common shareholders	$ 3,330	$ 2,664
Weighted average common share outstanding for basic earnings per share common	2,786,610	2,770,141
Add: Dilutive effects of assumed exercises of stock options	43,137	-
Average shares and dilutive potential common shares	2,829,747	2,770,141
Diluted earnings per common share	$ 1.17	$ 0.96

Stock options for 30,000 and 221,000 shares of common stock were not considered in computing diluted earnings per common share for 2021 and 2020 respectively because they were antidilutive.

BRUNSWICK BANCORP
BRUNSWICK BANK AND TRUST COMPANY
BOARDS OF DIRECTORS

Frank Gumina, Jr. ∆
Chairman

Richard A. Malouf ∆
Vice Chairman
President, Malouf Auto Dealerships

James Atieh. ∆
Retired Bank Executive

Nicholas A. Frungillo, Jr. ∆
President & CEO

James V. Gassaro, ESQ ∆
Attorney at Law

Frank Gumina III *◊
Attorney at Law

Lisa Kaplan ◊
Kaplan & Sons Construction Co.

Michael Kaplan ∆
Kaplan & Sons Construction Co.

Daniel McCarthy, ESQ ◊
Partner, Rogut McCarthy, LLC

Robert Sica ∆
President, New Brunswick Plating, Inc.

Bridget Quinn, CPA ∆
Partner, Large International Accounting Firm

Anthony Vignuolo, ESQ ◊
Partner, Borrus, Goldin, Foley, Vignuolo, Hyman & Stalh PC

OFFICERS

Frank Gumina, Jr. ……………….……………………………………………….……………………..*Chairman*
Nicholas A. Frungillo, Jr…………………….…………………………………………………….*President & CEO*
Carl Carabelli ……………………………………..*Senior Vice President, Loan Operations & Compliance Officer*
David Gazerwitz… ………………………………………Senior Vice President, *CFO, Secretary and Treasurer*
Keith Rada………..…………………………………………………………………………….. *Executive Vice President, CLO*
Lisa Tuccillo …………………..………..…….Senior *Vice President, Branch Administration, Deposit Operations*
William Balmer……………………………………………………*Vice President, Director of Retail Sales & Marketing*
Daniel Behr………………………………………………………………………………………*Vice President, BSA Officer*
Timothy Caruso ……………………..………………………….…….. *Regional Vice President, Commercial Lender*
Joseph Krieg….. ………………….………………….……………………. *Vice President, Chief Information Officer*
Gary Rossi………………………..….…..…………………………………….…*Vice President, Commercial Lender*
Ed Van Valkenburgh……….…………………………...…….………….*Vice President, Deposit Operations*
Joseph Fisher…………………………………………………………………………..…..… *Assistant Treasurer*
Betsy De La Rosa……………………...……………………………………………………. *Assistant Treasurer*
Timea Cubelo …………………………...……………………………………………… *Assistant Treasurer*
Pearl Lin ……………………………….……………………………………………… *Assistant Treasurer*
Laurie Visokay ……………..………………………………………………………… *Assistant Treasurer*

∆ *Director of Brunswick Bancorp and Brunswick Bank & Trust*
◊ *Director of Brunswick Bank and Trust*
* *Director Emeritus*

Branch Locations

Livingston Avenue, New Brunswick Office
439 Livingston Avenue
New Brunswick, NJ 08901

Freehold Office
444 West Main Street
Freehold Township, NJ 07728

Monroe Office
249 Applegarth Road
Monroe, NJ 08831

North Brunswick Office
1060 Aaron Road
North Brunswick, NJ 08902

South Brunswick Office
527 Ridge Road
South Brunswick, NJ 08852