



**FREEDOM** FINANCIAL  
HOLDINGS, INC.

## Presentation to Investors

*August 2022*

Joseph J. Thomas - President & CEO

[freedom.bank](http://freedom.bank)



This presentation contains forward-looking statements, including our expectations with respect to future events that are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates, and expectations include fluctuation in market rates of interest and loan and deposit pricing; adverse changes in the overall national economy, as well as adverse economic conditions in our specific market areas; maintenance and development of well-established and valued client relationships and referral source relationships; and acquisition or loss of key production personnel. Other risks that can affect the Bank are detailed from time to time in our quarterly and annual reports filed with the Federal Financial Institutions Examination Council. We caution readers that the list of factors above is not exclusive. The forward-looking statements are made as of the date of this presentation, and we may not undertake steps to update the forward-looking statements to reflect the impact of any circumstances or events that arise after the date the forward-looking statements are made. In addition, our past results of operations are not necessarily indicative of future performance.

# Agenda



**Company Overview**



**Management & Model**



**Results for Q2 2022**



**Investment Summary**

### Franchise Footprint



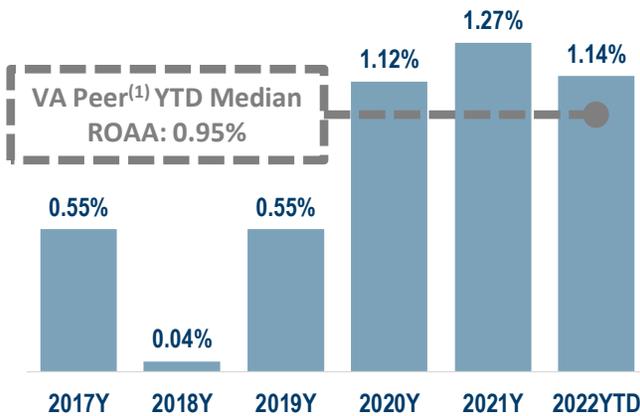
### Company Highlights

<p><b>2001</b> Bank Established in Vienna, VA</p>	<p><b>100</b> Total Employees</p>
<p><b>\$895,522,416</b> Assets as of June 30, 2022</p>	<p><b>14.77%</b> Total Capital Ratio as of June 30, 2022</p>
<p><b>1.15%</b> ROAA, Six Months Ended June 30, 2022</p>	<p><b>63.38%</b> Efficiency Ratio, Six Months ended June 30, 2022</p>
<p><b>17.88%</b> Non-Interest Income/Total Revenue</p>	<p><b>0.41%</b> Cost of Funds, Six Months Ended June 30, 2022</p>

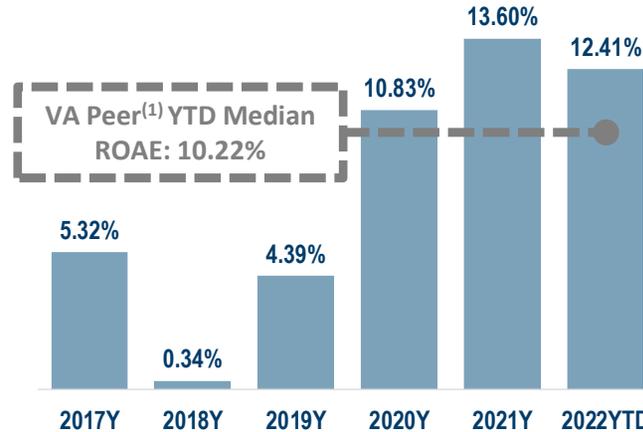
# Top Quartile Profitability Amongst Peers<sup>(1)</sup>



## Return on Average Assets (%)



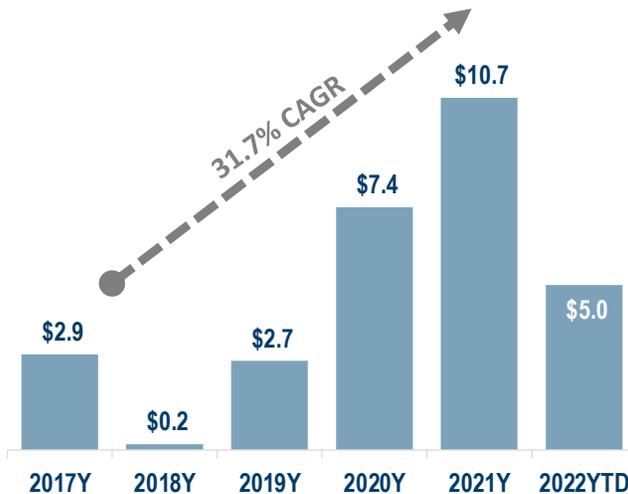
## Return on Average Equity (%)



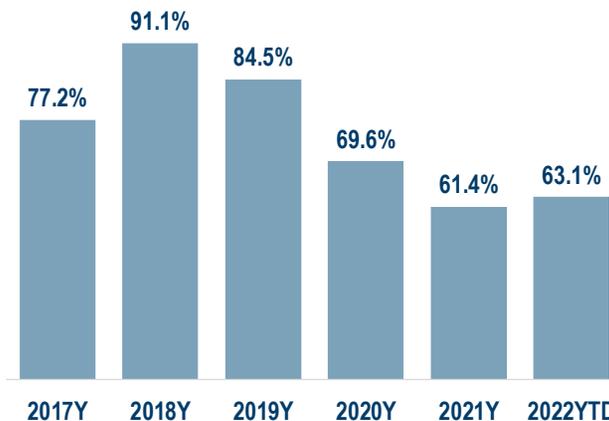
## Highlights

- Results of a three-year effort to implement a new strategic plan are currently on full display
- Historically consistent performance leading to sustained growth in pre-tax, pre-provision profitability**
- Completed a bank-wide reorganization and balance sheet repositioning in 2018 under new leadership with Joe Thomas
- While cyclical changes in the economy have led fee-based revenue to fall, the decline was largely offset by very strong core income from loan growth and NIM expansion
- Profitability above median Virginia peer levels<sup>(1)</sup>**

## Net Income (\$M)



## Efficiency Ratio (%)



Note: All references to financial data prior to holding company formation are bank level

Note: 2022YTD financial data as of the quarter ended June 30, 2022

(1) VA Peers include banks headquartered in Virginia with Total Assets <\$10.0B; YTD financial data as of most recently reported quarter on August 1, 2022

Source: S&P Capital IQ Pro



## VISION

- Provide compelling ideas, relevant financial products, and exceptional service to our clients in the way they wish to be served.
- Focus on building lead relationships with businesses, real estate owners, and professionals with sales offices across Northern Virginia/DC MSA.
- Concentrate on industry verticals to deliver unique, sector-specific solutions and have market executives to engage local businesses and communities.
- Use innovative technology, network of sales offices and a team of experienced bankers to make banking functional and convenient for businesses and consumers.

## VALUES

- Freedom Bank's innovative approach to banking starts with **IDEAS** based upon a keen understanding of client needs and market opportunities.
  - > **Innovate** – Exhaust all options and take smart risks
  - > **Discipline** – Take action with unwavering integrity
  - > **Experience** – Deliver exceptional customer outcomes
  - > **Attitude** – Build relationships through teamwork and respect
  - > **Service** – Participate in our communities and industries
- Our **IDEAS** help define the value we bring to lead client relationships and in the capabilities that we develop on our team or through partnering with best-in-class product providers.



## Management & Model



**H. Jason Gold - Chairman** - Mr. Gold has served as a director of the Bank since May 2003. Mr. Gold has served as a bankruptcy trustee for more than 25 years and has more than 30 years experience in complex restructuring and insolvency matters in various industries. He also serves as a bankruptcy examiner and federal and state-appointed receiver. Mr. Gold served as a partner with Nelson Mullins Riley & Scarborough LLP's Washington D.C. office, where he focused his practice on bankruptcy, financial restructuring, and liquidations. He also served as partner with the Firm of Wiley Rein LLP, McLean, Virginia from 2002 until 2014.



**John T. Rohrback - Vice Chairman** - Mr. Rohrback has served as a director of the Bank since August 2004 and served as Chief Executive Officer from 2004 to 2011. He was hired in 2001 as Executive Vice President and Senior Lending Officer. Mr. Rohrback was President and Chief Executive Officer, as well as a director of Heritage Bank from 1996 until 1999. Prior to this, Mr. Rohrback was Executive Vice President, as well as a director of Hallmark Bank and Trust until its acquisition by F & M National Corporation in 1996.



**Cynthia Carter Atwater** - Ms. Atwater has served as a director of the Bank since 2003 and is the Corporate Secretary. Ms. Atwater is a Principal of Digital Benefit Advisors, Reston, Virginia and was formerly President and Chief Executive Officer of CCA Consulting, Inc., Reston, Virginia. Ms. Atwater served on the Advisory Board of the Bank as both Chairman and Vice Chairman until 2003.



**Joseph M. English III** - Mr. English III has over thirty years of experience as a Certified Public Accountant, registered investment advisor, and personal financial specialist. Joe began his accounting career in 1988 and became a partner at Burdette Smith and Bish LLC in 1998. Mr. English's focus is on financial reporting, audits, reviews, compilations, tax planning, and compliance for individuals and businesses. He earned a Bachelor of Science in Accounting from Wheeling Jesuit University in Wheeling, West Virginia.



**Kevin J. Kooman** - Mr. Kooman has over 20 years of investment banking and financial management experience. He is a partner in the private equity firm, Patriot Financial Partners, L.P. Prior to joining Patriot, Kevin served as a Vice President of Investment Banking at Janney Montgomery Scott LLC in the firm's Financial Institutions Group. He has previously held the positions of Divisional Controller and Manager of Financial Operations at CIGNA Corp and at ACE Limited. He began his career as a CPA in the Philadelphia Office of Arthur Andersen LLP.



**Brandon C. Park** - Mr. Park has served as a director of the Bank since April 2018. He founded Superlative Technologies, Inc. (SuprTEK) in 1996 and manages corporate direction and strategy, guiding the growth of the organization from startup to the current projected annual revenue of \$40+ million for 2018. SuprTEK has been recognized by industry, Congress, and Government Customers for excellence through innovative solutions. Mr. Park earned his Bachelor of Science degree in Finance from Virginia Polytechnic Institute and State University, and currently serves as SuprTEK's CEO.



**Lauren Friend McKelvey** - Ms. McKelvey has served as a director of the Bank since 2018. She is General Counsel & Chief Compliance Officer of StreetShares, Inc., a Reston, Virginia based fintech that provides small business banking services and software to banks and credit unions. Prior to joining StreetShares in 2019, Ms. McKelvey practiced law as a shareholder at the prominent Northern Virginia law firm, Odin Feldman & Pittleman, PC, where she represented banks, financial fiduciaries, technology companies, and other clients. Ms. McKelvey holds a B.A. from Sweet Briar College, a M.A. from Georgetown University, and a J.D. from the George Mason University Antonin Scalia Law School.



**Maury Peiperl** - Mr. Peiperl is the Dean of the George Mason University School of Business. Prior to joining George Mason University, he was Director (Dean) of Cranfield School of Management, one of the UK's leading business schools. Previously, he was Professor of Leadership at IMD in Switzerland, and a professor at the London Business School, where he co-founded the pioneering EMBA-Global. He holds several academic degrees including a BS in Engineering from Princeton University, a Masters of Business Administration, Master of Arts and a PhD from Harvard University.



**Joseph J. Thomas - President and CEO** - Mr. Thomas was appointed in August 2018. He was previously President and CEO of Bay Bancorp (NASDAQ: BYBK), a community bank with \$700 million in total assets based in Columbia, Maryland, before its successful sale to Old Line Bancshares. He was formerly Managing Director of Hovde Private Equity Advisors and had a distinguished 20+ year banking career with Wachovia Corporation, most recently as Managing Director and Head of Financial Institutions Investment Banking. Mr. Thomas holds a BA from the University of Virginia and an MBA from Fuqua School of Business at Duke University.



**Shaun E. Murphy – Senior Executive Vice President & Chief Operating Officer and Chief Risk Officer**- Mr. Murphy has over 25 years of national and international experience in financial services leadership. He was most recently SEVP and Chief Credit & Risk Officer at City First Bank in Washington DC since 2015. Prior to that, he served as Chief Risk Officer of H Bancorp where he was responsible for all risk and compliance activities and served on the Board of Directors of Bay Bancorp and its bank subsidiary, Bay Bank. Prior to H Bancorp, Mr. Murphy served as Managing Director of Hovde Private Equity Advisors, LLC.



**Raj Mehra - Executive Vice President & Chief Financial Officer** - For many years Mr. Mehra was CFO of Middleburg Financial Corp., the holding company for Middleburg Bank. Previously, he served as director of financial risk management at PricewaterhouseCoopers, and held positions at JP Morgan Chase and Credit Suisse. Mehra received his bachelor's degree from the Indian Institute of Technology, and holds two graduate degrees, including an MBA from the University of Massachusetts. He is a member of the American Bankers Association's Accounting Committee and the AICPA's Depository Institution Expert Panel.



**Richard A. Hutchison - Executive Vice President & Chief Mortgage Officer** - Mr. Hutchison was previously with Virginia Heritage Bank, which was successfully sold to Eagle Bank in October 2014, as a Senior Executive Officer and the Chief Mortgage Officer responsible for all mortgage loan production and first trust mortgage origination. Prior to Virginia Heritage Bank, Hutchison was a Senior Executive Officer with Community Bank of Northern Virginia, which was sold to Mercantile and PNC. Hutchison is a native of Western Fairfax County and has been in local community banking for 42 years.



**Kevin Ferryman – Executive Vice President & Head of SBA Division** - Mr. Ferryman joined the Bank in December 2020. He was previously Head of SBA Lending at Patriot Bank in Connecticut. Prior to this, Mr. Ferryman worked at Citizens Bank as SBA Director responsible for managing all aspects of their SBA lending. He has also held various roles at Capital One Bank and JPMorgan Chase Bank where he developed his leadership and credit skills, and continually surpassed individual and team production goals. Mr. Ferryman earned his BS in Banking and Finance from St. John's University and MBA in Banking and Finance from Hofstra University.



**Victoria S. Loucks - Executive Vice President & Head of Deposit Products** - Ms. Loucks began her career at First National Bank of Maryland, a predecessor to M&T Bank. In her 25-year banking career she has held numerous positions in commercial banking including relationship management, treasury management and training. Ms. Loucks has held producer and leadership positions at several local and national banks and most recently led the Not-for-Profit and GovCon treasury efforts for Capital One Bank. She holds a bachelor's degree in Finance from Virginia Tech and attended post graduate studies in International Finance at Johns Hopkins University.



**Stephen H. MacNabb - Senior Vice President & Specialty Finance Market President** - Mr. MacNabb joined the Bank in November 2019. He was previously with BB&T for 11 years serving in various capacities including Market President and Senior Relationship Manager. Prior to that he was with Wachovia Bank (and predecessor banks) for 31 years starting as a credit analyst, and thereafter in various sales, credit, and leadership roles. Mr. MacNabb earned his MBA and BS in Finance from VA Tech and is a graduate of The Virginia Bankers School of Bank Management at UVA.



**Darren Tully – Senior Vice President & Fairfax Market President** - Mr. Tully joined the Bank in October 2015. He has almost 10 years of banking experience in the Northern Virginia market where he was born and raised. Prior to joining Freedom, he was a Commercial Relationship Manager with Virginia Heritage Bank and Cardinal Bank. A graduate of the University of Virginia class of 2008 and Leadership Arlington class of 2012, he has spent his entire career in financial analysis and underwriting and specializes in working with clients in the Government Contracting industry. He is also a 2017 graduate of The Virginia Bankers Association School of Bank Management at UVA.



**Steve Witt - Senior Vice President & Prince William Market President** - Mr. Witt joined the Bank in April 2013. He has over 17 years of banking experience in the Northern Virginia market. Prior to joining Freedom Bank in 2013 he served in various capacities with First Virginia Bank and Virginia Commerce Bank. A native of Virginia, Mr. Witt graduated from Longwood University and is also a graduate of Leadership Prince William, Class of 2010. He also is a graduate of the Virginia Bankers Association's Executive Leadership Institute.



**Dave Dockendorff – Senior Vice President & Loudoun Market President** – Mr. Dockendorff joins the Bank in April 2022. He was previously Team Leader, SVP at M&T Bank in their business banking division. Mr. Dockendorff was with M&T for over 17 years where he served in several positions within the retail and business banking divisions. He currently serves on the board of the Arlington Chamber of Commerce and the YMCA Loudoun County.



## Commercial Banking



- Seasoned team of 11 Commercial Bankers and Analysts
- Broad focus across the C & I, Industry Verticals, and Commercial Real Estate markets
- Strong business banking franchise with C&I loans representing 19% of total loans as of June 30, 2022.

## Community Banking



- Rational branch network with five sales offices across Northern Virginia market
- Lower cost of funds of 45 bps for Q2 2022 and 41 bps for six months ended June 30, 2022.
- Strong core deposits with non-interest deposit accounts representing 29.0% of total deposits as of June 30, 2022.

## Treasury Services



- Robust Treasury Management team of 5 and Payment solutions on Q2 and Fiserv platforms
- Merchant Services offered through a strategic partnership with Fiserv/First Data
- Business Credit Cards offered through a strategic partnership with Elan Financial Services

## SBA Banking



- Team of 10 experienced SBA Bankers who have operated successfully at a prior bank
- Offering SBA 7(a), and 504, USDA, and Bureau of Indian Affairs loans
- Meets the needs of Freedom's clients in the DC Region and new clients throughout the East Coast

## Mortgage Banking



- Experienced team of 14 mortgage loans officers and dedicated Operations team in Chantilly
- Generated residential loan production of \$110.9 million for the six months ended June 30, 2022.
- Extensive product offering driving purchase volume, including VA, FHA, VHDA, and USDA mortgages



**RichstoneGranite.com**  
**703-542-8112**

Provider of High-Quality Granite, Marble, and Quartz Countertops

**\$5,800,000**

SBA 504 Construction Loan for Acquisition, Development, and Construction

December 2021



**Vermilion**

Old Town Alexandria Restaurant Offering Simple and Modern American Cooking Using Local, Farm-Raised Products

**\$2,452,500**

SBA 504 Loan for Purchase and Renovation of Restaurant Building

March 2022



Expert Construction Site Hauling, Removal, and Excavation Services

**\$2,750,000**

Term Loan to Complete Leveraged Buyout Transaction and Working Capital Line of Credit

March 2022



**Columbia Firehouse**

Historic American Brasserie and Barroom in Old Town Alexandria Devoted to Serving Familiar Comfort Foods

**\$4,072,500**

SBA 504 Loan for Purchase and Renovation of Restaurant Building

March 2022

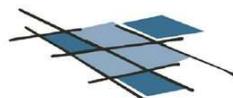


Provider of High-Quality Cabinetry at Affordable Prices Throughout the Mid-Atlantic Area

**\$3,000,000**

\$500,000 Equipment Guidance Line of Credit and \$2,500,000 Line of Credit to Purchase Inventory and Future Equipment

April 2022



**CAPITAL CITY FLOORING**

Full-Service Flooring Company Specializing in Corporate and Commercial Installations

**\$2,800,000**

Commercial Mortgage and Line of Credit

May 2022



Provider of Complete Residential and Commercial HVAC Services

**\$6,100,000**

Line of Credit, Debt Refinancing, and Commercial Real Estate Loan for Expansion of Operations

May 2022



Provider of High-Quality Residential Homes Throughout Northern Virginia

**\$10,000,000**

Construction Guidance Facility Loan for Residential Construction and Development Financing in the Northern Virginia Area

June 2022



## Commercial Banking



- Fiserv – Core Provider
- Finastra/CreditQuest – Digital LOS
- Elan – Corporate Credit Card
- Salesforce - Customer Relationship Management

## Treasury & Payments



- Q2 – Online Banking
- ProcessMakers – Digital Account Opening
- Autobooks – Invoicing and Payments
- First Data/Clover – Merchant Services
- PayRecs – International Payments

## Small Business



- Spark – Digital LOS
- StreetShares - Online Loan Origination and Automated Decisioning
- BizEquity – Online Business Valuation

## Residential Mortgage



- Encompass – Digital Platform
- SimpleNexus – Mobile Enabled
- Optimum Blue – Secondary Market Pricing
- Finicity – Verification Service

## Risk Management



- SRA WatchTower Enterprise Risk
- ProfitFit (PCBB) – Customer Profitability
- N Contracts – Compliance Management



## Q2 2022 Financial Results



## Income Statement History - GAAP - As Reported (\$ in thousands)

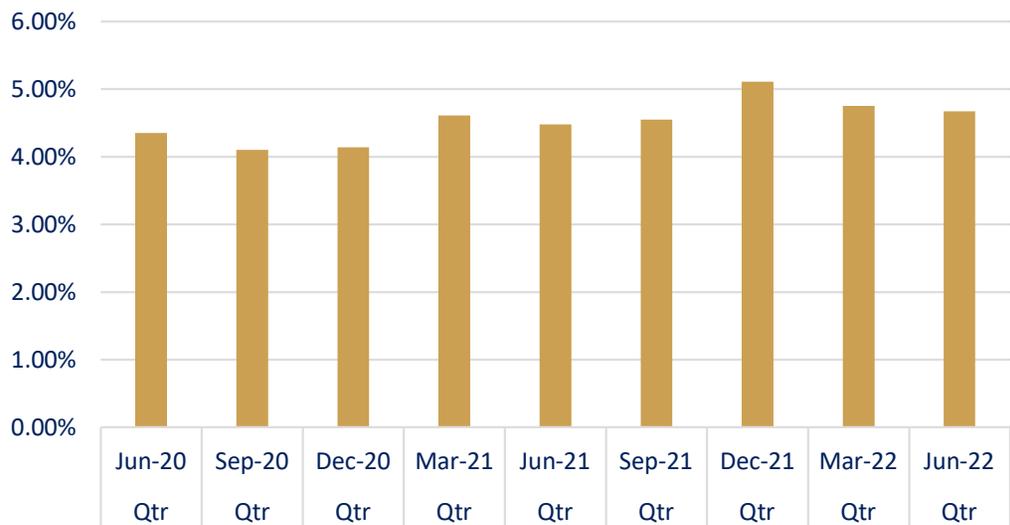
	Twelve Months Ended Dec 21, 2020	Twelve Months Ended Dec 31, 2021	Quarter Ended June 30, 2021	Quarter Ended Mar 31, 2022	Quarter Ended June 30, 2022
Net Interest Income (before provision)	\$19,469	\$28,516	\$6,827	\$7,613	\$7,614
Provision for Loan Losses	(\$1,492)	(\$839)	(\$191)	(\$164)	(\$375)
Non-Interest Income	\$15,412	\$9,723	\$2,923	\$1,818	\$1,657
Non-Interest Expense	\$24,306	\$24,145	\$5,689	\$5,819	\$6,036
Pre-Provision, Pre-tax Net Income	\$10,575	\$14,094	\$4,061	\$3,612	\$3,235
Pre-tax Net Income	\$9,083	\$13,256	\$3,240	\$3,448	\$2,861
After-tax Net Income	\$7,364	\$10,728	\$2,626	\$2,784	\$2,227
Basic EPS	\$1.02	\$1.46	\$0.36	\$0.38	\$0.31
ROAA	1.12%	1.27%	1.24%	1.29%	1.01%
ROAE	10.84%	13.60%	13.65%	13.53%	11.44%

# Summary of Balance Sheets

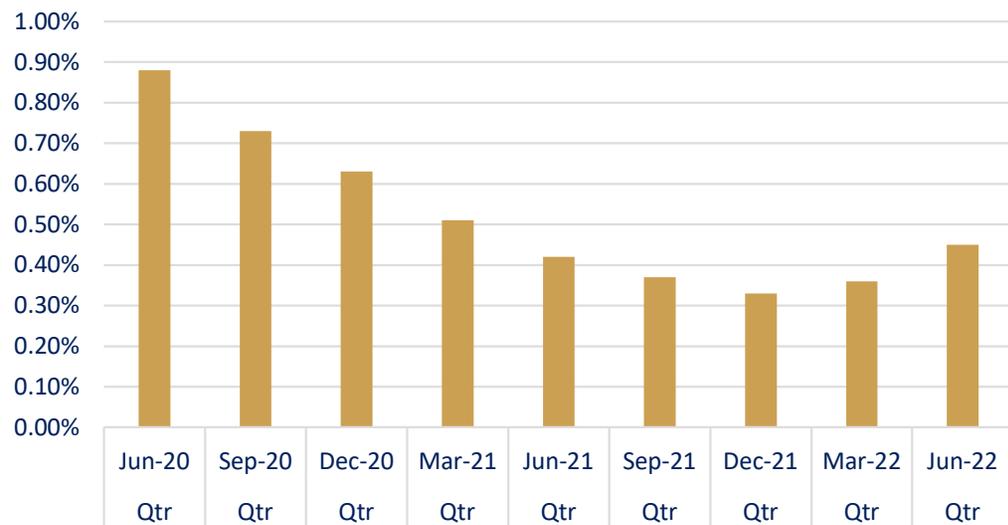


<b>Balance Sheet History (\$ in thousands)</b>			
	<b>As of June 30, 2021</b>	<b>As of March 31, 2022</b>	<b>As of June 30, 2022</b>
<b>Assets</b>			
Cash and Fed Balances	\$50,029	\$31,036	\$27,214
Investments	\$132,682	\$190,889	\$191,762
Total Loans	\$623,125	\$604,954	\$638,405
Allowance for Loan Losses	(\$5,765)	(\$6,650)	(\$7,025)
Other Assets	\$36,998	\$42,892	\$45,166
<b>Total Assets</b>	<b>\$837,070</b>	<b>\$863,121</b>	<b>\$895,522</b>
<b>Liabilities</b>			
Non Interest-Bearing Deposits	\$226,862	\$208,171	\$216,208
Interest Checking Deposits	\$30,842	\$78,507	\$109,477
Savings and Money Market	\$116,934	\$164,348	\$159,788
Retail Time Deposits	\$150,424	\$142,792	\$153,068
Wholesale Deposits	\$97,041	\$120,869	\$118,035
<b>Total Deposits</b>	<b>\$622,103</b>	<b>\$714,686</b>	<b>\$756,575</b>
FHLB Borrowings	\$122,317	\$58,636	\$54,186
Other Liabilities	\$13,654	\$10,005	\$9,288
<b>Total Liabilities</b>	<b>\$758,074</b>	<b>\$783,327</b>	<b>\$820,049</b>
<b>Equity</b>			
Retained Earnings	\$17,917	\$26,335	\$28,562
Common Stock and Surplus	\$59,537	\$58,660	\$58,897
AOCI	\$1,543	(\$5,273)	(\$11,985)
<b>Total Equity</b>	<b>\$78,997</b>	<b>\$79,794</b>	<b>\$75,473</b>
<b>Total Liabilities and Equity</b>	<b>\$837,070</b>	<b>\$863,121</b>	<b>\$895,522</b>
<b>Tangible Book Value per Share</b>	<b>\$10.81</b>	<b>\$10.95</b>	<b>\$10.31</b>

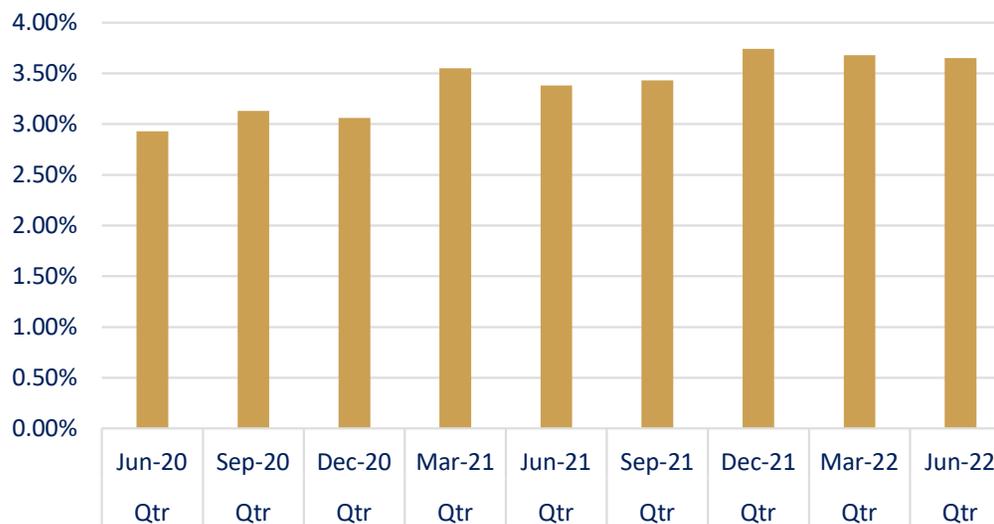
### Total Loan Yield



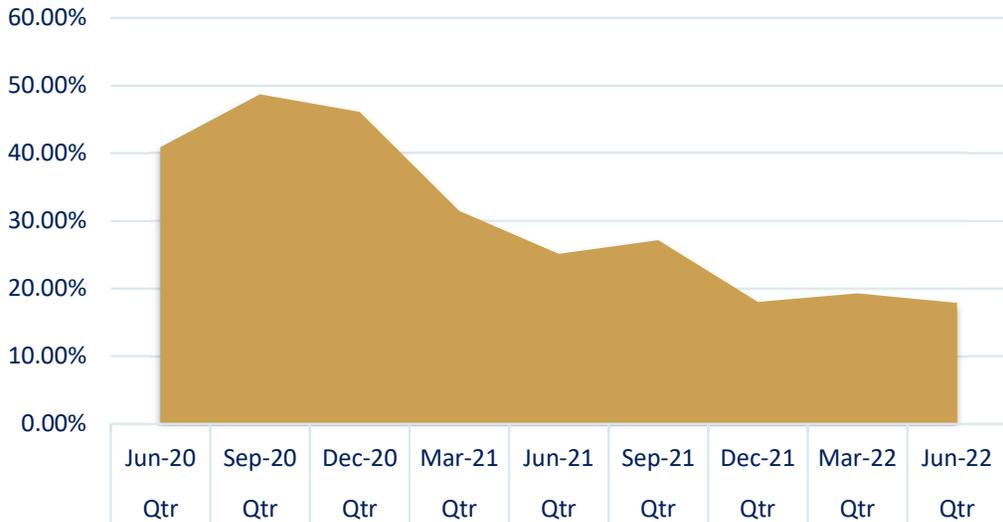
### Cost of Funds



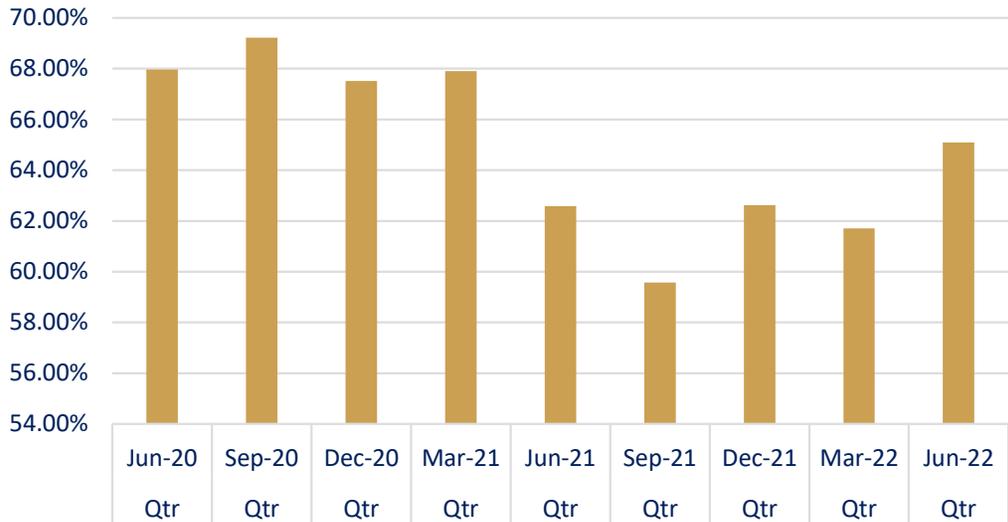
### Net Interest Margin



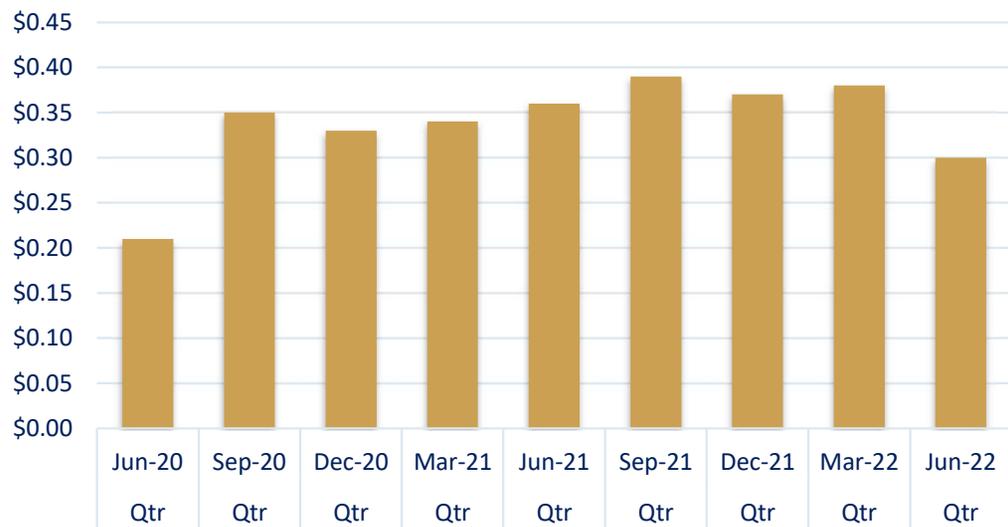
### NII to Total Revenue



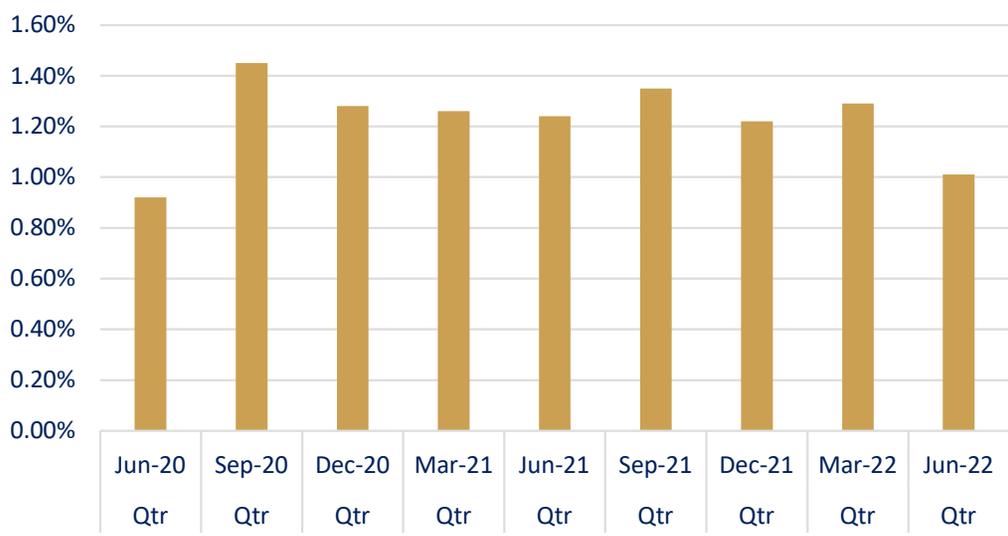
### Efficiency Ratio



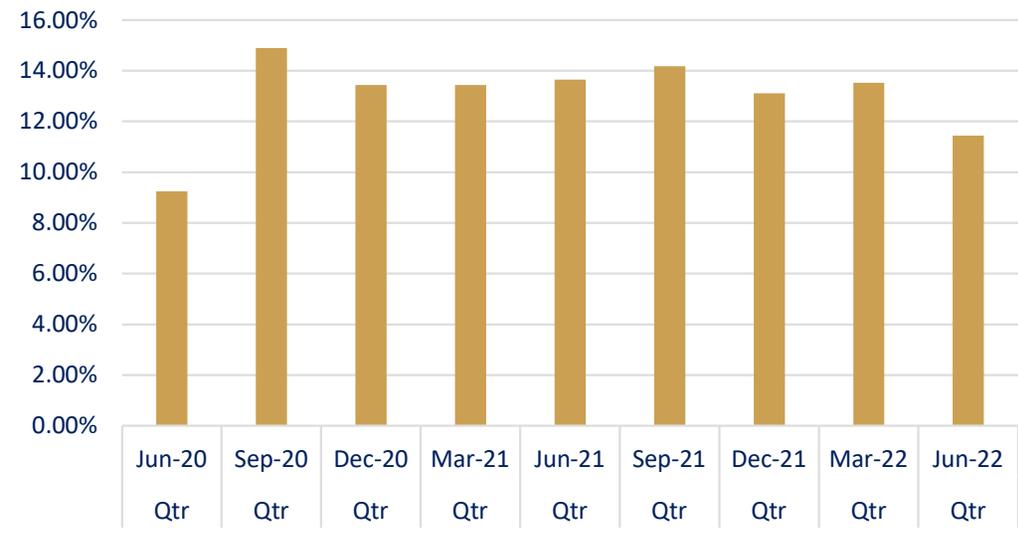
### EPS (diluted)



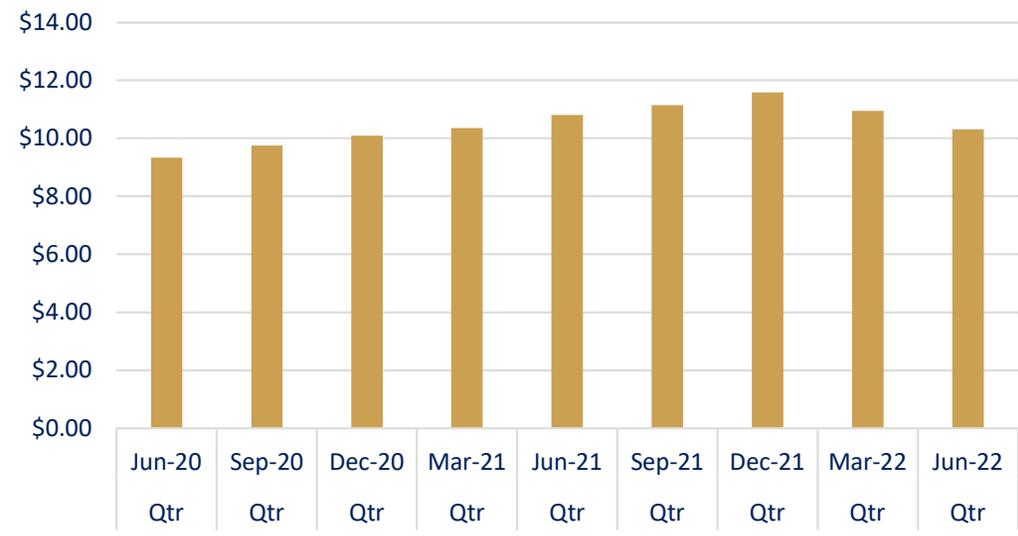
### Return on Average Assets



### Return on Average Equity

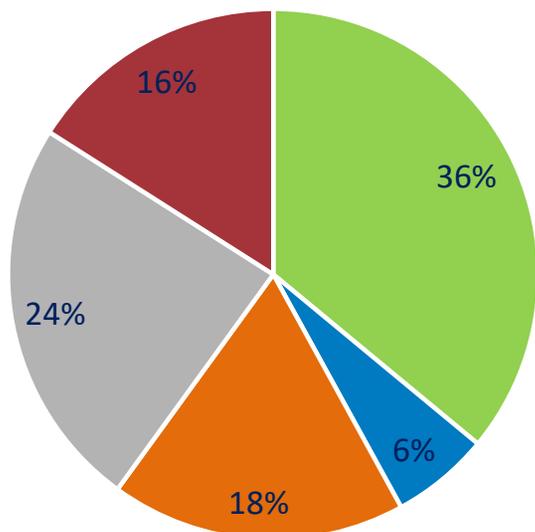


### Tangible Book Value Per Share



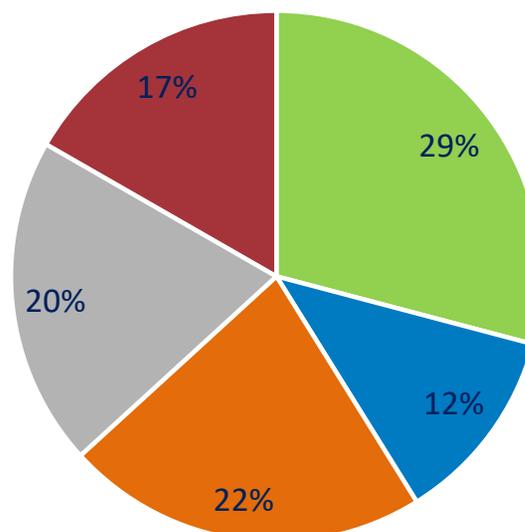


Q2-21



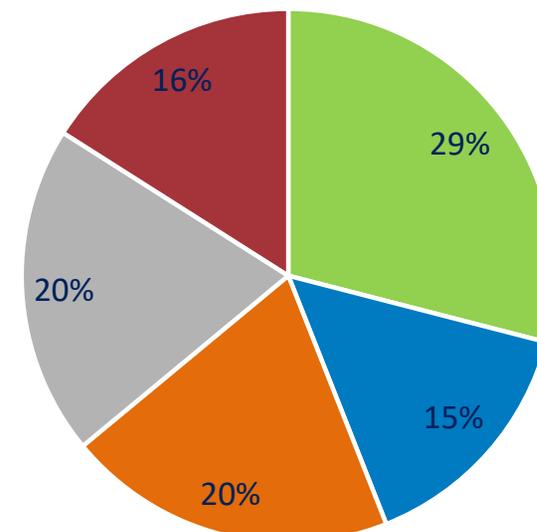
■ Non Interest Bearing Deposits  
■ Retail Time Deposits

Q1- 22



■ Interest Checking/Savings  
■ Wholesale Deposits

Q2 -22

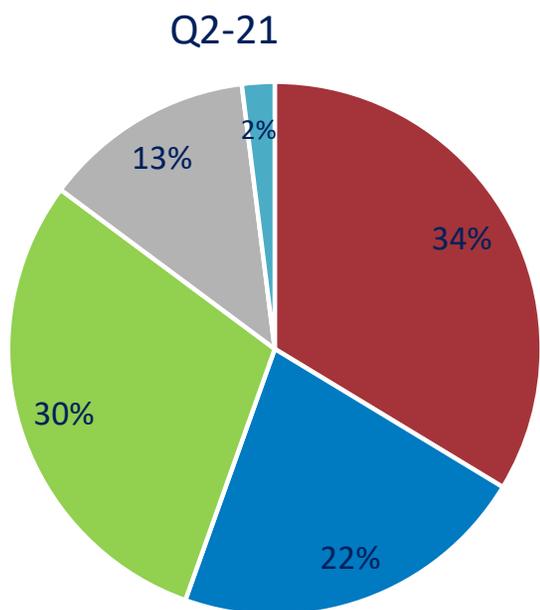


■ Money Market

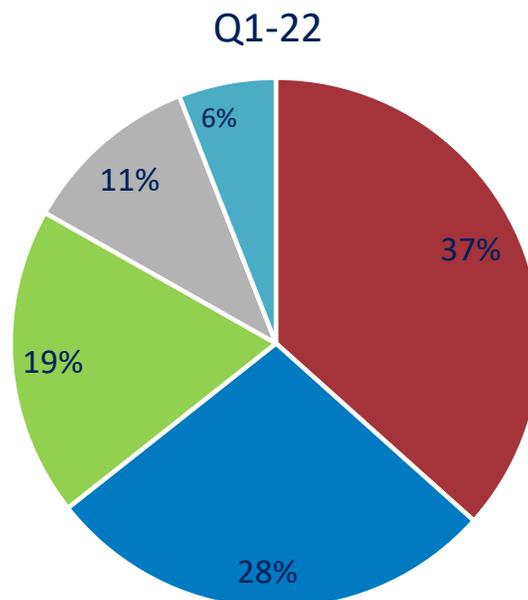
Deposit Mix (\$ in thousands)	
Non Interest Bearing Deposits	\$226,862
Interest Checking/Savings	\$35,219
Money Market	\$112,557
Retail Time Deposits	\$150,424
Wholesale Deposits	\$97,041
<b>Total Deposits</b>	<b>\$622,103</b>
<b>Cost of Funds</b>	<b>0.42%</b>

Deposit Mix (\$ in thousands)	
Non Interest Bearing Deposits	\$208,171
Interest Checking/Savings	\$85,978
Money Market	\$156,876
Retail Time Deposits	\$142,792
Wholesale Deposits	\$120,869
<b>Total Deposits</b>	<b>\$714,686</b>
<b>Cost of Funds</b>	<b>0.36%</b>

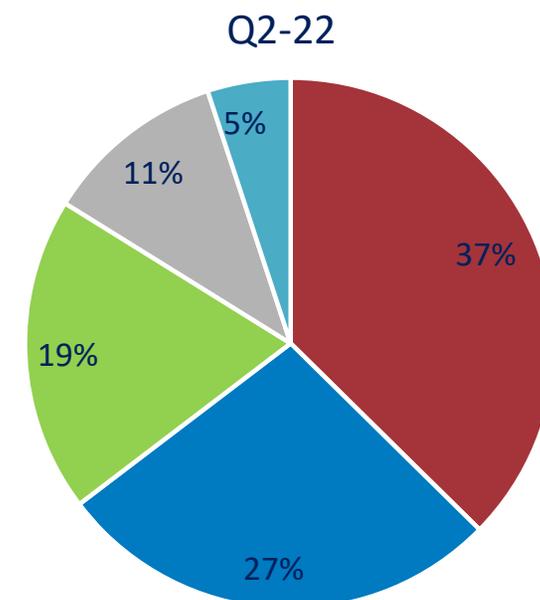
Deposit Mix (\$ in thousands)	
Non Interest Bearing Deposits	\$216,208
Interest Checking/Savings	\$116,218
Money Market	\$153,048
Retail Time Deposits	\$153,068
Wholesale Deposits	\$118,035
<b>Total Deposits</b>	<b>\$756,577</b>
<b>Cost of Funds</b>	<b>0.45%</b>



- NOO Commercial Real Estate
- Residential Real Estate



- Owner Occupied CRE
- Consumer



- C&I

Loan Mix (\$ in thousands)	
Non Owner Occupied CRE	\$212,271
Owner Occupied CRE	\$138,378
C&I	\$184,248
Residential Real Estate (incl Construction)	\$78,913
Consumer	\$12,658
Other Loans Less Unearned Interest Income	(\$3,343)
<b>Total Loans</b>	<b>\$623,125</b>
<b>Total Loan Yield</b>	<b>4.48%</b>

Loan Mix (\$ in thousands)	
Non Owner Occupied CRE	\$222,337
Owner Occupied CRE	\$166,383
C&I	\$117,319
Residential Real Estate (incl Construction)	\$66,112
Consumer	\$33,474
Other Loans Less Unearned Interest Income	(\$671)
<b>Total Loans</b>	<b>\$604,954</b>
<b>Total Loan Yield</b>	<b>4.75%</b>

Loan Mix (\$ in thousands)	
Non Owner Occupied CRE	\$238,618
Owner Occupied CRE	\$172,386
C&I	\$123,671
Residential Real Estate (incl Construction)	\$71,783
Consumer	\$32,565
Other Loans Less Unearned Interest Income	(\$618)
<b>Total Loans</b>	<b>\$638,405</b>
<b>Total Loan Yield</b>	<b>4.67%</b>



## Investment Summary



Washington DC MSA and Northern Virginia market is one of the largest, affluent, diverse, and resilient economies in the United States and should fare better than most markets impacted by COVID-19.



The Company's strategic repositioning over the last three years puts Freedom in a strong position to thrive in unprecedented market turmoil with abundant talent, digital technology and capital.



Freedom Bank has demonstrated three consecutive years of PTI growth with ROAA and ROAE hitting 1.27% and 13.6% respectively for the full year 2021.



Our strategy to focus on entrepreneurs with dedicated industry groups is getting significant traction and is driving high levels of C&I lending and non-interest-bearing Demand Deposits.



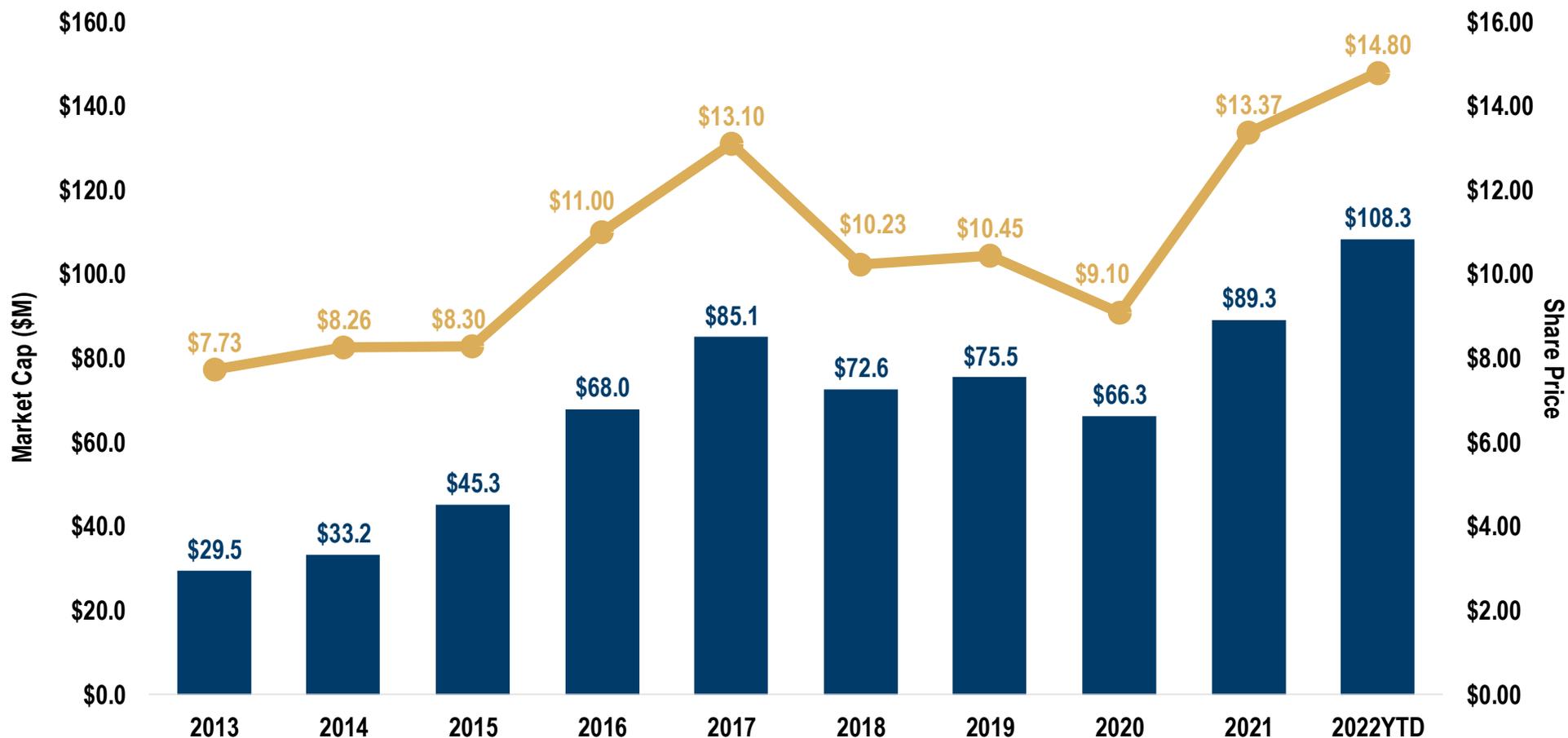
Freedom Bank has a leading digital platform, streamlined sales office structure, high performing residential mortgage division, new SBA Division, strong credit quality, and abundant capital for growth.



The Bank trades on OTCQX with reasonable liquidity, but at a discount on a price to book value basis relative to peer banks in Washington DC MSA.



## FDVA Market Cap vs. Share Price





**Joseph J. Thomas, CFA**  
President and CEO

jthomas@freedom.bank  
703-667-4161  
10555 Main Street, Suite 600  
Fairfax, VA 22030

