



Enriching our communities.

That's **MERRIMACK** Style.



MERRIMACK
COUNTY SAVINGS BANK



To Our Customers, Community, and Employees

For over 156 years, The Merrimack has embodied resilience and unwavering dedication—through periods of economic prosperity, as well as through unprecedented times in US history. That remains true today as we’ve adapted, pivoted, and prevailed in our “new normal.”

Since its founding in 1867, The Merrimack has become much more than a bank. From providing the people of Central and Southern NH the means of earning interest on their savings accounts to funding their home purchases, The Merrimack has become the heart of the community. As your neighbor, we continue to prioritize financial support, volunteerism, and assistance to all the regions we serve.

The Merrimack has a business philosophy that guides everything we do. Mortgages, commercial loans, hassle-free checking and savings accounts, assisting our small businesses and communities—all this and more is what we do for our customers and neighbors, every single day.

Powering Community and Putting People First –
That’s **MERRIMACK** Style.

Merrimack Style

At The Merrimack, we conduct business differently. Our mission and unique personality drive our business philosophy, a tradition we refer to as Merrimack Style.

Merrimack Style means:

- We deliver excellent value at a fair price.
- We respect our customers and strive to develop lasting relationships based on personal hometown service and mutual trust.
- We always accept responsibility for our actions and adhere to unquestioned honesty and integrity.
- We provide stability and consistency in the community over the long term by creating lasting change as a corporate citizen through staff volunteerism and financial support.
- We treat our employees with dignity, respect, and nurture their growth within the organization.

Merrimack Style sets a high standard against which we are constantly measured by ourselves, our customers, and our community. We're listeners, hands-on helpers, and community champions.

That's The Merrimack Way. That's Merrimack Style.

Community Recognition

Best Bank by Capital Area
People's Preference
(CAPPIE Award) for the
12th consecutive year

Best Bank by Best of the 603
Manchester Radio Group



Commercial Lending

Our Business Team had a historic year, closing 214 commercial loans totaling nearly \$180 million in new loan volume. We initiated an online lending program for business loans up to \$100,000 called the “Rapid Business Loan” that will allow business customers to apply for small business loans through our website. It features a quick decision-making process and funding after approval within 24 hours. While we were still in the testing phase of the program at the end of the year and into the early part of 2023, we will be prepared to advertise the “Rapid Business Loan” by the second quarter of 2023.

The Business Team helped 120 customers submit their applications to the Small Business Administration (“SBA”) for the forgiveness of their SBA Paycheck Protection Program loans, totaling approximately \$14 million: a landmark for the Bank and its customers, helping us all move on from the economic impact of Covid-19.

Finally, we welcomed new colleagues to the Commercial Lending Department replacing two lenders who retired in 2022 after more than 20 years of experience with the Bank.

NEW TO THE TEAM



Joanne Connelly
*Senior Vice President,
Commercial Lending
Team Leader*



David Peterson
*Senior Vice President,
Commercial Lending
Team Leader*



Margot Anderson
*Vice President,
Commercial Loan Officer*

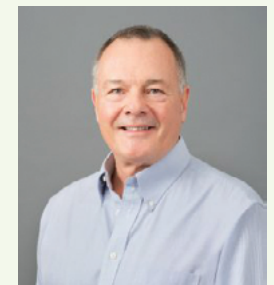


Michael Cleland
*Vice President,
Commercial Loan Officer*

RETIRED



Randy Guay
VP, Commercial Loan Officer



Tom Dustin
VP, Commercial Loan Officer

Consumer Lending

Consumer lending grew by \$64.4M or 48.1%, with gross originations of \$95.5M. The majority of growth resulted from the niche we've established in financing boat and RV purchases in the dealer and broker market. In 2022, these originations enabled the bank to put some excess liquidity to work and generate meaningful interest income, which could then be used to fund new business and residential mortgage loans in our communities.



Mortgage Lending

It was an interesting year for the housing market, with a steep rise in interest rates from January through the end of the year. Rising rates coupled with a limited housing supply resulted in fewer homes on the market and significantly fewer refinance opportunities.

In 2022, The Merrimack originated 342 loans for \$131 million and provided 229 home equity lines of credit or home equity loans for \$29 million. With a lack of existing housing, construction lending remains strong, with 115 land and construction loans for \$52 million. Our wide array of home lending solutions helped make The Merrimack a top-four residential mortgage lender in Merrimack County.*

The Home Lending Team welcomed four new hires, including three new Mortgage Loan Officers and a new Sales Leader. The Mortgage Fulfillment Team also hired an additional Construction Processor and worked hard to develop and implement the Northstar program to enhance customer experience and improve closing times. By investing in the latest technology, we are able to transform the complex mortgage lending process into a streamlined digital experience.



**Ranking provided by the Warren Group data 2022.*

Championing Our Communities

The Merrimack has enjoyed a long tradition of corporate citizenship. We were proud to champion our communities with \$393,773 in donations and sponsorship support in 2022. Our employees also gave 4,500 hours of their time to volunteer efforts.

Additionally, we purchased \$200,000 in tax credits through the New Hampshire Community Development Finance Authority (CDFA) from the following organizations:

- Boys and Girls Club of Central NH: \$50,000
- Community Loan Fund for the Minority Owned Business Lending Program: \$50,000
- REDC New Americans Loan Fund: \$50,000
- NH Forest Society: \$25,000
- Concord Lake Sunapee Rail Trail: \$15,000
- Currier Museum Chandler House Restoration: \$10,000



Grant Funding

Established in 1997, the Merrimack County Savings Bank Foundation remains committed to providing financial support to organizations that enrich and improve the quality of life for residents in our service areas. In 2022, The Merrimack awarded \$64,485 to the following local non-profits:

- Boys & Girls Club Central New Hampshire, Sutton (\$2,000)
- Boys and Girls Club of Greater Nashua (\$3,850)
- Brigid's House of Hope, Concord (\$3,500)
- Catholic Charities New Hampshire, Manchester (\$2,500)
- Circle Program, Plymouth (\$3,000)
- Concord Dental Sealant Coalition (\$4,000)
- Concord Hospital Trust (\$2,700)
- Family Promise of Greater Concord (\$3,150)
- Family Promise of Southern NH, Nashua (\$3,150)
- Friends of New Hampshire Drug Courts, Concord (\$2,700)
- Girls Inc. of New Hampshire, Manchester (\$3,500)
- Marguerite's Place, Nashua (\$2,560)
- Northeast Organic Farming Association (NOFA) of New Hampshire, Concord (\$2,000)
- Overcomers Refugee Services, Concord (\$3,500)
- The Front Door Agency, Nashua (\$5,000)
- The Pittsfield Youth Workshop (\$2,500)
- SEE Science Center (SEE), Manchester (\$3,000)
- Step Up Parents, Portsmouth (\$2,575)
- Waypoint, Concord (\$5,000)
- Webster House Children's Home, Manchester (\$2,000)
- YMCA of Greater Nashua (\$2,300)

Innovation in Action

From our bank branches to our website, enhancing ease, convenience, and security remain top priorities. In 2022, The Merrimack released several new products and services to adapt to the evolving industry.



CONTACTLESS PAYMENTS

Now, it just takes a tap to pay for items at the store using a Merrimack debit card. By implementing contactless technology, customers can simply hold their card to the payment terminal (where accepted) to complete a purchase, eliminating the need to insert or swipe the card.



ZELLE®

To make it easier to go cash-free, we offer a fast and easy way to pay back friends and family through our Online and Mobile Banking. Zelle®, an industry-leading peer-to-peer (P2P) payment app, allows users to send and receive money with transactions linked directly to their personal bank account.



THE RAPID BUSINESS LOAN

For businesses in need of fast funding, we are due to launch our Rapid Business Loan in 2023. By migrating to an all-digital application, a business can apply for a loan 24/7, receive a decision in minutes, and get the funds they need within a couple of days.



RECURRING LOAN PAYMENTS

Lastly, we have simplified the payment process for our loan customers, with a new option to set up recurring payments and pay with a debit card.

Zelle® and the Zelle® related marks are wholly owned by Early Warning Services, LLC and are used herein under license.



The Merrimack is Coming Soon to Windham.

From Mary Lynne Rahlson, SVP:

After months of research, we are happy to report that The Merrimack will be opening a full-service branch in Windham. The new branch, located at 1B Wall Street, will become our 8th branch, and help bridge the distance between Concord, Hooksett, and Nashua.

The Windham location is close to the highway and will provide a point between Salem and Nashua on Route 111. It's just one exit south of the Londonderry Route 102 exit. We are excited to begin construction and anticipate a mid to late summer 2023 opening.

2022 Financial Highlights

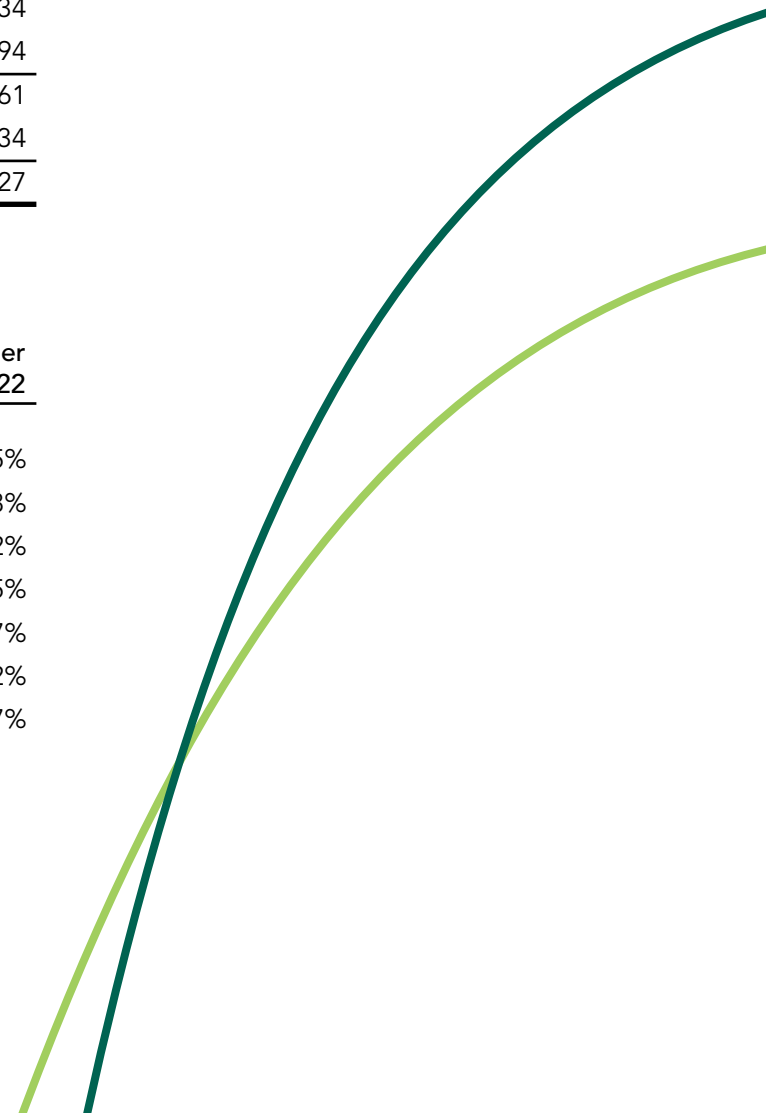
Merrimack County Savings Bank Executive Summary December 31, 2022

Balance Sheet (\$000's)	December 2021	December 2022
Interest Bearing Deposits	54,790	11,518
Intercompany Fed Funds Sold	-	-
Investment Securities	147,160	127,943
Loans	916,217	1,117,411
Assets	1,163,252	1,316,299
Deposits	967,614	1,041,526
Repurchase Agreements	71,236	75,345
Intercompany Fed Funds Purchased	-	-
Borrowed Funds	7,620	88,175
Equity	112,425	104,375

Balance Sheet Statistics (%):	December 2021	December 2022
On-Balance Sheet Liquidity	11.12%	5.29%
Basic Surplus (30 Day)	25.08%	13.86%
Loan to Deposit	94.10%	109.09%
Loan to Asset	77.53%	85.32%
ALLL to Loans	1.02%	0.96%
Consumer Loans to Tier 1 Capital	121.10%	164.45%
Leverage Capital	9.35%	9.21%
Leverage Capital Excluding Sub Debt	8.95%	8.86%
Tier 1 Risk Based Capital	13.64%	11.76%
Tier 1 Risk Based Capital Excluding Sub Debt	13.07%	11.31%
Total Risk Based Capital	14.81%	12.82%
Total Risk Based Capital Excluding Sub Debt	14.23%	12.36%

Income Statement (\$000's)	<u>December 2021</u>	<u>December 2022</u>
Interest Income	38,414	45,491
Interest Expense	1,675	4,721
Net Interest Income	<u>36,739</u>	<u>40,770</u>
Provision for Loan Losses	816	1,448
Other Income	3,733	3,734
Other Expense	28,266	30,694
Pre-Tax Income	<u>11,389</u>	<u>12,361</u>
Provision for Taxes	2,796	2,934
Net Income	<u>8,593</u>	<u>9,427</u>

Income Statement Statistics	<u>December 2021</u>	<u>December 2022</u>
Yield on Earning Assets	3.56%	3.85%
Cost of Paying Liabilities	0.17%	0.43%
Net Spread	3.39%	3.42%
Net Interest Margin	3.40%	3.45%
Return on Average Assets	0.76%	0.77%
Operating Expense to Average Assets	2.53%	2.52%
Efficiency Ratio	69.84%	68.97%



Directors and Corporators

DIRECTORS

Chair: William H. Dunlap, *Hopkinton*

Vice Chair: Jeffrey S. Kipperman, *Enfield*

Peter G. Bloomfield, *Hollis*

Christopher Brown, *Concord*

James P. Burnett III, *Concord*

Sarah Mattson Dustin, *Contoocook*

Linda J. Lorden, *Concord*
(President of The Merrimack)

Jessica Prieto, *Henniker*

Gregg Tewksbury, *Keene*
(President & CEO of NHMB)

Christiana Thornton, *Pembroke*

LOCAL NHMB CORPORATORS

Elyssa Alfieri, *Londonderry*

Jonathan Chorlian, *Concord*

James Corrigan, *Contoocook*

Michael Coughlin, *Canterbury*

John Cross, *Concord*

Glenn Currie, *Concord*

Kelli D'Amore, *Deerfield*

Jane Difley, *Webster*

Sabrina Dunlap, *Hopkinton*

Philip Emma, *Henniker*

Chris Emond, *Epsom*

David Gazaway, Jr., *Bow*

John Gilbert, *Greenland*

Michael Green, *Hopkinton*

Ryan Hvizda, *Concord*

Angie Lane, *Manchester*

Sylvia Larsen, *Concord*

Stephanie McLaughlin, *Manchester*

Pedro Nunex-Bautista, *Pelham*

Tara Reardon, *Concord*

Emily Ricard, *Concord*

Jonathan Ruggles, *Concord*

Elizabeth Salas Evans, *Weare*

Peggy Senter, *Concord*

Bradford Smith, *Jaffrey*

Jay Stewart, *Hollis*

Sally Tanner, *Concord*

Daniel Weeks, *Nashua*

Jeffrey Zellers, *Concord*

Officers

EXECUTIVE

Linda J. Lorden, President

Melissa Stevenson, Executive Assistant
& Assistant Corporate Secretary

COMMERCIAL LENDING

James Gallagher, SVP Senior Commercial Lending Officer

Joanne Connelly, SVP Commercial Lending Team Leader

Terrie McQuillen, SVP Credit & Administration

David Peterson, SVP Commercial Lending Team Leader

Margot Elise Anderson, VP Commercial Loan Officer

Michael Cate, VP Credit Manager

Michael Cleland, VP Commercial Loan Officer

Ryan Frazier, VP Commercial Loan Officer

Beth Hurd, VP Commercial Loan Portfolio Officer

Michael Vlahos, VP Commercial Loan Officer

Lynda Paquette, VP Commercial Loan Administration

Brian Smith, VP Commercial Portfolio Loan Officer

RESIDENTIAL LENDING

Mark Danahy, SVP Residential Mortgage Lending

Garry Cornelius, VP Residential Mortgage Sales,
NMLS #1185487

Stephanie Burnor, AVP Mortgage Sales Support Manager

Chelsea Gardner, Mortgage Loan Officer, NMLS #2361321

Shannon Ketcham, Mortgage Loan Officer, NMLS #2153077

Fredric Johnson, Mortgage Loan Officer, NMLS #827462

RESIDENTIAL LENDING *(continued)*

Brooklyn McBee, Mortgage Loan Officer, NMLS #2300197

Jake Potter, Mortgage Loan Officer, NMLS #914418

Pamela Starr, Mortgage Loan Officer, NMLS #211840

Matthew Thomas, Mortgage Loan Officer, NMLS #523419

Mary Tillotson, Mortgage Loan Officer, NMLS #523420

RETAIL BANKING

Mary Lynne Rahlson, SVP Senior Retail Banking Officer

Stephanie Andruss, RVP Branch and Business
Development Manager

Brad Kulacz, RVP Branch and Business Development Manager

Julie Bushaw, VP Retail Sales & Service Staff
Development & CRA Officer

Kristin Clark, VP Business Banking Development Officer

Michelle Olivier, AVP Branch & Business Development Manager

Rachel Perri, AVP, Branch & Business Development Manager

Anna Gurnee, Branch & Business Development Manager

Ariana Roy, Branch & Business Development Manager

Brittany Saucier, Branch & Business Development Manager

Deborah Stoodley, Branch & Business Development Manager

Shantelle Sutkus, Business Development Officer

CONSUMER LENDING

Arthur Letendre, SVP Consumer Loan Officer

Carol Ritchie, VP Consumer Loan Officer

MARKETING

Diana Johnson, VP Marketing Officer

President's Message



Over the past year, we saw a return to normalcy for our employees, customers, and community. Although uncertain times persist, our employees and community remain resilient - and it shows. The Merrimack experienced strong financial performance and we saw historic loan growth which tells an inspiring story. One of homeownership for first-time home buyers, the startup of small businesses, and the expansion of existing businesses. Although different, each achievement comes together to help strengthen the communities where we live and work.

We celebrated the 20th Annual Rock 'N Race in May of 2022, and its return to the State House with The Merrimack as the presenting sponsor for the 14th year. It's a cause that's close to our hearts and I'm grateful for our long-standing relationship with Concord Hospital's Payson Center for Cancer Care, and to the community for coming together to honor those who have been touched by cancer.

I'm also proud of the assistance we were able to provide to local non-profits through the Community Development Finance Authority Tax Credit Program (CDFA). By supporting organizations like the Regional Economic Development Center (REDC) and the New Hampshire Community Loan Fund, we're contributing to programs that help new Americans and minority-owned businesses succeed.

We look forward to the road ahead and expanding our presence into Southern New Hampshire. On the heels of our 5-year anniversary at our Hooksett location, plans are underway to open a full-service branch in Windham. The addition of our 8th branch wouldn't be possible without our exceptional employees who go beyond bank transactions to prove that The Merrimack is about putting people first, after all, that's The Merrimack Way. That's Merrimack Style.

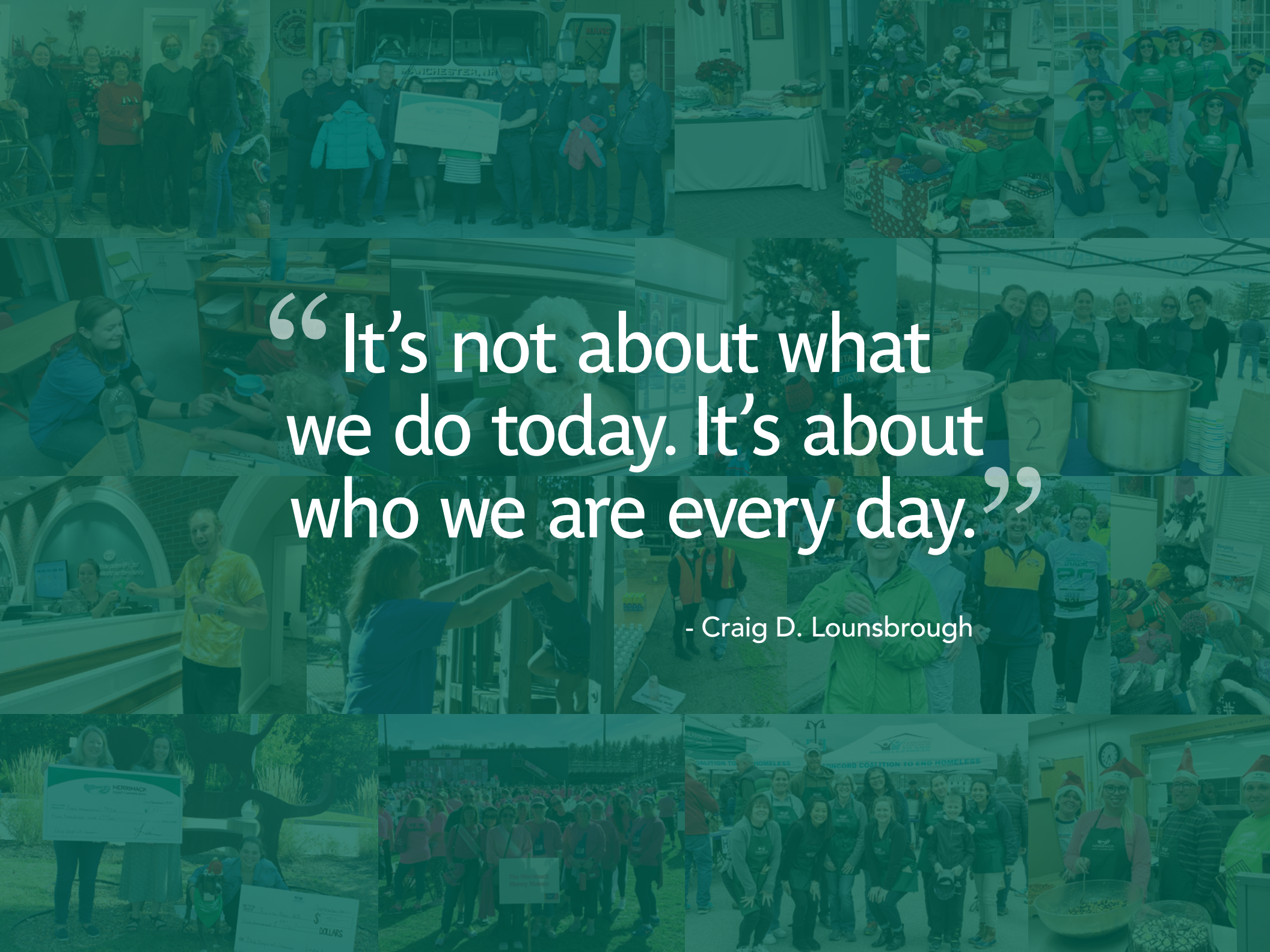
In 2022, we recognized the achievements and service milestones of 11 employees who have been with us for 5, 10, 15, 20, and even 25 years. I am reminded of a quote from Craig D. Lounsbrough "It's not about what we do today. It's about who we are every day". I am honored to work with a team that continues to exceed expectations despite all obstacles and look forward to working together towards another successful year.

Warmly,

A handwritten signature in black ink, appearing to read "LJL". The signature is fluid and cursive, written in a professional style.

Linda J. Lorden
President





“It’s not about what we do today. It’s about who we are every day.”

- Craig D. Lounsborough



MERRIMACK
COUNTY SAVINGS BANK

NMLS #433938



EQUAL HOUSING
LENDER