



## Documents in CRA Public File

1. Public Written Comments

None have been received

2. CRA Performance Evaluation

3. Branches, Location(s) and Hours

4. List of any branches opened or closed in last three years

5. Primary Bank Deposit and Loan Products

6. Fee Schedule

7. Facilities Based Assessment Areas - maps

8. HMDA LAR location

# **PUBLIC DISCLOSURE**

March 7, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Primary Bank  
Certificate Number: 59086

207 Route 101  
Bedford, New Hampshire 03110

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
New York Regional Office

350 Fifth Avenue, Suite 1200  
New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment areas credit needs.
- The bank made a majority of its small business loans inside the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration of loans among businesses of different sizes.
- The institution did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

- The institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

## DESCRIPTION OF INSTITUTION

Primary Bank, established in 2015 and headquartered in Bedford, NH, focuses on serving the commercial credit needs of small- and medium-sized businesses and non-profit organizations. The FDIC assigned Primary Bank a Satisfactory rating at its March 7, 2016 CRA Performance Evaluation based on Interagency Small Institution Examination Procedures. At that time, Primary Bank was a de novo institution. For this evaluation, Primary Bank was evaluated based on Interagency Intermediate Institution Examination Procedures as it achieved Intermediate Small Institution status as of January 1, 2022.

Primary Bank operates a main office in Bedford and branches in Derry, Manchester, and Nashua. The Manchester and Derry branches, both located in moderate-income areas are new since the prior evaluation and opened in January 2019 and February 2020, respectively. The Nashua branch, located in a middle-income area is also new and opened in December 2021. The bank has not been involved in any merger or acquisition activities since the previous evaluation.

The bank is primarily focused on establishing and continuing to growing business relationships. Commercial loan products include commercial mortgages, lines of credit, construction and equipment loans, and letters of credit. In addition to serving the commercial market, Primary Bank offers personal checking, savings, money market, and certificate of deposit accounts to consumers. The bank does not offer any consumer residential lending products; however, the bank offers secured and unsecured personal loans as an accommodation to its commercial loan customers only. Drive-up service is only available at the Bedford location. The Bedford location also maintains a 24-hour drive-up automated teller machine (ATM), while the Derry branch has a walk-up ATM. Further, the bank offers online and mobile banking providing customers 24-hour online access to view account balances, make deposits, transfer funds, and pay bills.

Primary Bank has grown significantly since its first CRA evaluation as of March 7, 2016, where assets totaled \$90.2 million. As of December 31, 2021, Primary Bank reported total assets of \$670.3 million, total loans of \$503.1 million, and total deposits of \$603.1 million. The following table illustrates the bank's loan portfolio.

<b>Loan Portfolio Distribution as of 12/31/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	28,213	5.6
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	31,205	6.2
Secured by Multifamily (5 or more) Residential Properties	59,232	11.8
Secured by Nonfarm Nonresidential Properties	264,890	52.8
<b>Total Real Estate Loans</b>	<b>383,540</b>	<b>76.4</b>
Commercial and Industrial Loans	119,580	23.8
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	0	0.0
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	2	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	<b>1,066</b>	<b>0.2</b>
<b>Total Loans</b>	<b>502,056</b>	<b>100.0</b>
<i>Source Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs.

## **DESCRIPTION OF ASSESSMENT AREAS**

Primary Bank designated two single assessment areas including portions of three counties in NH. More specifically, the assessment area includes 65 census tracts in Hillsborough County, 26 in Rockingham County, and 3 in Merrimack County. Since the previous evaluation, the bank expanded the assessment areas to include Hollis, Hudson, and Nashua in Hillsborough County; Atkinson, Auburn, Chester, Derry, Hampstead, Salem, Sandown, and Windham in Rockingham County; and Hookset in Merrimack County. In total, the combined assessment area expanded from 51 census tracts to 97 census tracts.

Hillsborough County is in the Manchester-Nashua, NH Metropolitan Statistical Area (MSA). Merrimack County is in the NH Non-MSA and is part of the Concord, NH Micropolitan Statistical Area. As the Manchester-Nashua, NH MSA and the Concord, NH Micropolitan Statistical Area are part of the larger Boston-Worcester-Providence, MA-RI-NH-CT CSA and examiners did not identify anomalies in the bank’s performance in the Manchester-Nashua, NH MSA and the NH Non-MSA, examiners presented one conclusion for the Boston-Worcester-Providence, MA-RI-NH-CT CSA.

Rockingham County is in the Rockingham County-Strafford County, NH MD and the bank’s performance in this assessment is evaluated and discussed separately.

Overall, for this evaluation, examiners assigned one combined CRA rating and presented conclusions for the combined assessment area, which includes the Boston-Worcester-Providence, MA-RI-NH-CT CSA and the Rockingham County-Strafford County, NH MD.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated March 7, 2016, to the current evaluation dated March 7, 2022. Examiners used the Interagency Intermediate Institution Examination Procedures to evaluate Primary Bank’s CRA performance. These procedures include two tests: 1) Lending Test and 2) Community Development Test.

Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory CRA rating. This evaluation does not include any lending activity performed by affiliates. Primary Bank’s combined assessment area includes geographies located in the Boston-Worcester-Providence, MA-RI-NH-CT CSA and the Rockingham County-Strafford County, NH MD. Branches are located in both the CSA and the MD, and bank performance in each assessment area is discussed separately. As reflected in the following table, the Boston-Worcester-Providence, MA-RI-NH-CT CSA portion of the combined assessment area accounts for a larger share of loans, deposits, and branches. Accordingly, examiners assigned greater weight to the bank’s performance in the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area when arriving at overall conclusions. Examiners conducted full-scope reviews of both assessment areas due to significant growth since the previous CRA evaluation.

<b>Assessment Area Breakdown of Commercial Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Boston-Worcester-Providence, MA-RI-NH-CT CSA	492,422	99.9	501,664	92.0	3	75.0
Rockingham County-Strafford County, NH MD	284	0.1	43,373	8.0	1	25.0
<b>Total</b>	<b>492,706</b>	<b>100.0</b>	<b>545,037</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>

*Source: Bank Data; FDIC Summary of Deposits (12/31/2021)*

### Activities Reviewed

Examiners determined that the bank’s major product line is small business loans. This conclusion considered the bank’s business strategy and the number and dollar volume of originations during the evaluation period. Examiners focused on 2021 small business lending as the bank recently became an Intermediate Small Institution and started collecting small business loan data in 2021, but did not report it. As such, the evaluation considered all small business loans originated in 2021.

During 2021, Primary Bank originated 796 small business loans totaling \$110.2 million. Small business loan data includes commercial real estate and commercial and industrial loans with original loan amounts of \$1 million or less as reported on the bank's Reports of Condition and Income. Many of the 2021 small business originations are Payroll Protection Program (PPP) loans. The PPP, established by the Coronavirus Aid, Relief, and Economic Security Act and implemented through the Small Business Administration (SBA), helped small businesses maintain their payroll, hire back employees, and cover applicable overhead expenses during the Covid-19 Pandemic.

D&B data provided a standard of comparison for the bank's small business lending performance. Although the evaluation presents the number and dollar volume of small business loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals and businesses served.

The bank originated very few commercial loans secured by 1-4 family residential properties and is not a HMDA reporter. Furthermore, the bank did not originate any small farm loans during the evaluation period. Therefore, examiners did not analyze these loan products and they are not presented in this evaluation.

For the Community Development Test, bank management provided data on community development activities since the prior CRA evaluation dated March 7, 2016.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Primary Bank demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performance primarily support this conclusion.

### **Loan-to-Deposit Ratio**

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 93.8 percent over the past 24 calendar quarters from March 31, 2016, through December 31, 2021. The ratio ranged from a high of 129.8 percent as of March 31, 2016, to a low of 79.5 percent as of September 30, 2017. As the bank was a de novo at the previous CRA evaluation, total loans and deposits increased dramatically over the past 24 quarters. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus and compared the average net LTD ratios as of December 31, 2021.



<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 12/31/2021 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Primary Bank</b>	<b>670,323</b>	<b>93.8</b>
The Millyard Bank	128,615	88.8
Bank of New Hampshire	2,315,197	85.3
Franklin Savings Bank	687,682	73.0
<i>Source: Reports of Condition and Income 03/21/2016 – 12/31/2021</i>		

### **Assessment Area Concentration**

Primary Bank originated a majority of small business loans by number and dollar amount in the combined assessment area. See the following table.

<b>Lending Inside and Outside of the Combined Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Small Business	486	61.1	310	38.9	796	64,484	58.5	45,731	41.5	110,215
<i>Source: Bank Data</i>										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion. Reasonable performance of small business lending in the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area and excellent performance in the Rockingham County-Strafford County, NH MD assessment area support this conclusion. The Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area provided more weight in arriving at overall conclusions than the Rockingham County-Strafford County, NH-MD assessment area. The individual assessment area sections include detailed analysis and comparisons to demographic data.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. Consistent performance of small business lending in both assessment areas supports this conclusion. Small business lending included a significant number of loans in the “Revenue Not Available” category. Under the PPP loan program, banks were not required to collect revenue information. The large number of loans with “Revenue Not Available” reduces the percentage of loans made to businesses with gross annual revenues (GARs) of \$1.0 million or less, but does not indicate adverse bank performance. During 2021, the bank originated 335 PPP loans totaling \$30.5 million to businesses where the gross annual revenue was not collected. The individual assessment area sections include detailed analysis and comparisons to demographics.

**Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

**COMMUNITY DEVELOPMENT TEST**

Primary Bank demonstrated adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities focusing on community development lending. Adequate responsiveness in both assessment areas supports this conclusion. Refer to the Community Development Test section under each assessment area for additional detail and examples regarding specific community development activities.

**Community Development Loans**

During the evaluation period, the bank made 59 community development loans totaling approximately \$29.0 million. Of these loans, 35 loans totaling approximately \$14 million were originated inside the combined assessment area. The remaining 24 loans totaling approximately \$15 million were originated outside the assessment area within the State of NH. As the bank met the community development needs in the combined assessment area, the bank received credit for loans made in the broader regional area of NH. All community development loans were SBA 504 loans. SBA 504 loans promote economic development by providing financing to small businesses. Primary Bank’s total community development loans represent 10.3 percent of average total assets and 13.4 percent of average total loans since the prior evaluation. This demonstrates adequate responsiveness to the combined assessment area’s community development needs. The following table presents the bank’s community development loans by year and purpose.

Community Development Lending Combined Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2016	0	0	0	0	1	514	0	0	1	514
2017	0	0	0	0	2	341	0	0	2	341
2018	0	0	0	0	6	2,036	0	0	6	2,036
2019	0	0	0	0	13	5,618	0	0	13	5,618
2020	0	0	0	0	27	14,105	0	0	27	14,105
2021	0	0	0	0	10	6,323	0	0	10	6,323
YTD 2022	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59</b>	<b>28,937</b>	<b>0</b>	<b>0</b>	<b>59</b>	<b>28,937</b>

*Source: Bank Data*

The following are notable examples of the bank’s community development loans.

- In 2020, the bank originated a \$4.3 million SBA 504 loan through a statewide economic development corporation to a new small business in Rochester, NH. The loan enabled the business to purchase land and construct a new building in a moderate-income census tract.
- In 2021, the bank originated a \$350,000 SBA 504 loan through an economic development corporation to a restaurant in Plymouth, NH. Loan proceeds were used to improve the restaurant and hire additional employees.

### **Qualified Investments**

During the evaluation period, Primary Bank made 15 qualified investments totaling approximately \$15,700. This represents 0.002 percent of total assets. All investments were donations. Of these 15 donations, 13 totaling \$13,950 benefited the CSA assessment area and 2 totaling \$1,750 were to a regional organization that benefits the combined assessment area. Overall, Primary Bank demonstrated adequate responsiveness to the combined assessment area’s community development needs.

<b>Qualified Investments Combined Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2016	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
YTD 2022	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Qualified Grants & Donations	0	0	4	3,800	11	11,900	0	0	15	15,700
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>3,800</b>	<b>11</b>	<b>11,900</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15,700</b>
<i>Source: Bank Data</i>										

The following is a notable example of an organization that received donations:

- **NH Tech Alliance** – NH Tech Alliance is a statewide technology association located in Concord, NH dedicated to supporting companies at every stage of growth and development, including start-up companies. The start-up companies are creating jobs within NH. The majority of the jobs would provide employment opportunities for low- and moderate-income individuals. These donations qualify for economic development.

**Community Development Services**

During the evaluation period, bank employees provided 1,005 hours of financial expertise or technical assistance to 4 different community development-related organizations. Of the 1,005 hours, 778 hours of assistance benefitted 3 organizations providing economic development and community services assistance to businesses and individuals throughout NH and 227 hours benefitted an economic development organization serving the Rockingham County-Strafford County, NH MD assessment area. Overall, Primary Bank demonstrated adequate responsiveness to the combined assessment area’s community development needs. The following table illustrates the bank’s community development services by purpose and year. Please refer to the assessment area sections for more detail on community development services.

<b>Community Development Services Combined Assessment Area</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2016	0	0	20	0	<b>20</b>
2017	0	0	55	0	<b>55</b>
2018	0	0	55	0	<b>55</b>
2019	0	90	175	0	<b>265</b>
2020	0	90	175	0	<b>265</b>
2021	0	120	175	0	<b>295</b>
YTD 2022	0	20	30	0	<b>50</b>
<b>Total</b>	<b>0</b>	<b>320</b>	<b>685</b>	<b>0</b>	<b>1,005</b>
<i>Source: Bank Data</i>					

The following are examples of qualified community development service benefitting the statewide area.

- **Capital Region Development Council (CRDC)** - CRDC is a non-profit economic development organization that facilitates job creation and provides various support services and financing to businesses throughout NH. A senior management member served as a director and Loan Committee member.
- **Granite United Way (GUW)** - GUW is a non-profit organization that provides various support services to low- and moderate-income individuals throughout NH. A senior management member serves as a director and Community Impact Committee member.

Additionally, the bank maintains two full-service branches in moderate-income census tracts in Manchester and Derry. These locations provide banking services to low- and moderate-income individuals residing in and around those areas.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

### **BOSTON-WORCESTER-PROVIDENCE, MA-RI-NH-CT CSA ASSESSMENT AREA – Full-Scope Review**

#### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN BOSTON- WORCESTER –PROVIDENCE, MA-RI-NH-CT CSA**

The Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area includes 68 census tracts in Hillsborough (65) and Merrimack (3) Counties. According to 2015 ACS data, the census tracts reflect the following income designations:

- 8 low-income census tracts,
- 18 moderate-income census tracts,
- 21 middle-income census tracts,
- 20 upper-income census tracts, and
- 1 census tract with no income designation (Manchester, NH Regional Airport)

All the low- and moderate-income census tracts are in Manchester and Nashua. Manchester has 4 low- and 15 moderate-income census tracts and Nashua has 4 low- and 3 moderate-income census tracts. The bank maintains three full-service offices in the assessment area: the main office in Bedford and two branches in Manchester and Nashua. The same products and services discussed in the combined assessment area section are offered in the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area.

#### **Economic and Demographic Data**

The following table illustrates select demographic characteristics of the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area.

<b>Demographic Information of the Boston-Worcester-Providence, MA-RI-NH-CT CSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	68	11.8	26.5	30.9	29.4	1.5
Population by Geography	328,199	9.4	20.1	33.7	36.8	0.0
Housing Units by Geography	134,437	10.5	22.6	33.5	33.4	0.0
Owner-Occupied Units by Geography	80,561	2.8	13.6	36.3	47.2	0.0
Occupied Rental Units by Geography	45,969	22.0	37.2	29.6	11.2	0.0
Vacant Units by Geography	7,907	21.5	29.8	28.3	20.4	0.0
Businesses by Geography	36,402	9.7	20.9	30.1	38.9	0.5
Farms by Geography	753	5.2	11.6	32.4	50.7	0.1
Family Distribution by Income Level	83,396	20.7	17.2	21.6	40.5	0.0
Household Distribution by Income Level	126,530	24.3	15.9	18.1	41.7	0.0
Median Family Income- Manchester-Nashua MSA – NH		\$85,966	Median Housing Value			\$236,330
Median Family Income Non-MSAs - NH		\$71,699	Median Gross Rent			\$1,078
			Families Below Poverty Level			6.3%
<i>Source: 2015 ACS Census and 2021 D&amp;B Data Due to rounding, totals may not equal 100.0 (* ) The NA category consists of geographies that have not been assigned an income classification.</i>						

As of December 31, 2021, the annual unemployment rate for Hillsborough County was 2.1 percent and is in line with the State of NH level of 2.1 percent. Major employers in Hillsborough County include Elliot Hospital in Manchester, Easter Seals in Manchester, and Camp Young Judaea in Amherst.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by Gross Annual Revenue (GAR). According to 2021 D&B data, there were 36,402 non-farm businesses in the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area. GARs for the businesses are as follows.

- 87.4 percent have \$1 million or less.
- 4.5 percent have more than \$1 million.
- 8.1 percent have unknown revenues.

Service industries represent the largest portion of all businesses at 36.9 percent, followed by non-classifiable establishments at 20.0 percent and finance, insurance, and real estate at 12.1 percent. Nearly 91.4 percent of all businesses operate from a single location, and 63.2 percent of area businesses have less than five employees. In addition, most businesses in the non-MSA assessment area are small businesses, with nearly 85.0 percent generating GARs of less than \$0.5 million.

## **Competition**

The bank operates in a competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 18 financial institutions operated 50 offices in the assessment area. Of these institutions, Primary Bank ranked 4<sup>th</sup> with a 4.4 percent market share. Citizens Bank, NA ranked 1<sup>st</sup> with a 36.8 percent market share followed by Bank of America, NA with a 29.0 percent market share and TD Bank, NA with a 19.4 percent market share.

The analysis of small business loans under the Lending Test does not include comparisons against aggregate data. Aggregate data is not available for 2021.

## **Credit and Community Development Needs and Opportunities**

Considering information from the bank management and demographic and economic data, examiners determined that business lending represents the assessment area's primary credit need. Further, the assessment area's community development needs relate to affordable housing, community services, and economic development.

# **CONCLUSIONS ON PERFORMANCE CRITERIA IN BOSTON-WORCESTER-PROVIDENCE, MA-RI-NH-CT CSA ASSESSMENT AREA**

## **LENDING TEST**

Primary Bank demonstrated reasonable performance under the Lending Test in the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area. Geographic Distribution and Borrower Profile performance primarily support this conclusion.

## **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Examiners focused on the percentage of loans, by number, in the low- and moderate-income census tracts.

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion. Examiners compared the bank's lending activity to demographics. In the low-income census tracts, lending slightly trailed demographics. In the moderate-income census tracts, lending was slightly above demographics. This difference may be partially due to the fact that the bank maintains an office in Manchester, in a moderate-income census tract. See the following table for more information.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	9.7	19	5.2	3,706	7.4
Moderate	20.9	110	30.1	14,286	28.4
Middle	30.1	84	23.0	11,048	22.0
Upper	38.9	150	41.1	20,675	41.1
N/A	0.5	2	0.5	600	1.2
<b>Total</b>	<b>100.0</b>	<b>365</b>	<b>100.0</b>	<b>50,315</b>	<b>100.0</b>

*Source: 2021 D&B Data; Bank Data*

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. For small business lending, examiners focused on the bank's percentage of small business loans to businesses with GARs of \$1.0 million or less.

#### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration to businesses of different sizes with GARs of \$1 million or less. In 2021, the bank originated 20.5 percent of its small business loans to businesses with GARs less than \$1 million, which is significantly less than demographics. This lower lending is mainly attributable to the fact that 79.5 percent (290 loans) of the bank's small business lending during 2021 were PPP loans for which the bank was not required to collect the revenue.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
≤ \$1,000,000	87.4	75	20.5	22,245	44.2
> \$1,000,000	4.5	0	0.0	0	0.0
Revenue Not Available	8.1	290	79.5	28,070	55.8
<b>Total</b>	<b>100.0</b>	<b>365</b>	<b>100.0</b>	<b>50,315</b>	<b>100.0</b>

*Source: 2021 D&B Data; Bank Data*

### **COMMUNITY DEVELOPMENT TEST**

Primary Bank demonstrated adequate responsiveness to the community development needs of its Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area through community development loans, qualified investments, and community development services. Examiners focused on the large number of community development loans and considered the institution's capacity and the need and availability of such opportunities.

#### **Community Development Loans**

Primary Bank originated 23 community development loans in the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area totaling approximately \$8.7 million during the evaluation



period. Given the bank’s prior de novo status, the bank originated an adequate level of community development loans. The following table illustrates the community development lending by year and loan purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2016	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	2	693	0	0	2	693
2018	0	0	0	0	1	125	0	0	1	125
2019	0	0	0	0	4	558	0	0	4	558
2020	0	0	0	0	13	6,151	0	0	13	6,151
2021	0	0	0	0	3	1,163	0	0	3	1,163
YTD 2022	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>8,690</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>8,690</b>

Source: Bank Data

All community development loans were SBA 504 loans. The SBA 504 loan program provides long-term, fixed rate financing of up to \$5 million for major fixed assets that promote business growth and job creation. The dramatic increase in loans during 2020 was due to the Covid-19 pandemic and small businesses seeking PPP loans. As a commercial bank, Primary Bank focused on assisting businesses throughout NH by offering SBA 504 and PPP loans. The following are some examples of the bank’s community development loans.

- In 2020, the bank granted a \$1.7 million SBA 504 loan to a business located in Nashua, NH. The business is a storage facility that stores recreational vehicles, motorcycles, and other vehicles. The loan assisted the business during the pandemic with a loan that helped retain jobs.
- In 2021, the bank granted a \$684,289 SBA 504 loan to a restaurant located in Manchester, NH. Loan proceeds assisted this small business with remaining open during the pandemic and providing jobs.

**Qualified Investments**

During the evaluation period, Primary Bank made 13 qualified donations totaling \$13,950 in the assessment area. Of the \$13,950, \$3,800 benefited community services and \$10,150 benefited economic development. The bank did not make any qualified equity investments. The following is an organization the bank made donations to during the evaluation period.

- **Families in Transition** –Families in Transition is a community service organization that provides a homeless shelter, food, and clothing to assist individuals. This organization provides important community services to low- and moderate-income individuals and families throughout Manchester, NH

## **Community Development Services**

During the evaluation period, Primary Bank did not make have any services which specifically benefitted the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area. However, employees provided 778 hours of financial expertise or technical assistance to 3 different organizations providing economic development and community services. Although these hours did not specifically benefit the Boston-Worcester-Providence, MA-RI-NH-CT CSA assessment area, the hours benefitted the entire state, including this assessment area.

## **ROCKINGHAM COUNTY- STRAFFORD COUNTY, NH MD ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS**

The Rockingham County-Strafford County, NH MD assessment area includes 26 census tracts in Rockingham County. Previously, the assessment area only included the Town of Londonderry. In conjunction with opening the Derry branch, the bank added Atkinson, Auburn, Chester, Derry, Hampstead, Salem, Sandown, and Windham to the assessment area. Of the 26 census tracts, two are in moderate-income census tracts in Derry. The bank operates one office in Derry. According to the 2015 ACS data, the census tracts reflect the following income designations:

- 0 low-income census tracts,
- 2 moderate-income census tracts,
- 15 middle-income census tracts,
- 8 upper-income census tracts, and
- 1 census tract with no income designation.

## **Economic and Demographic Data**

The following table illustrates select demographic characteristics of the Rockingham County-Strafford County, NH MD assessment area.

<b>Demographic Information of the Rockingham County-Strafford County, NH MD Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	26	0.0	7.7	57.7	30.8	3.8
Population by Geography	132,212	0.0	8.4	59.0	32.5	0.0
Housing Units by Geography	52,032	0.0	10.6	59.5	29.9	0.0
Owner-Occupied Units by Geography	39,355	0.0	5.3	59.6	35.1	0.0
Occupied Rental Units by Geography	10,361	0.0	29.9	58.7	11.4	0.0
Vacant Units by Geography	2,316	0.0	14.3	61.7	24.0	0.0
Businesses by Geography	14,972	0.0	8.0	61.7	29.6	0.7
Farms by Geography	439	0.0	4.8	60.4	34.2	0.7
Family Distribution by Income Level	37,000	15.5	16.8	23.4	44.3	0.0
Household Distribution by Income Level	49,716	18.5	16.2	18.3	47.1	0.0
Median Family Income MSA - 40484 Rockingham County-Strafford County, NH		\$90,150	Median Housing Value			\$272,191
			Median Gross Rent			\$1,180
			Families Below Poverty Level			3.5%
<i>Source: 2015 ACS Census and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

As of December 31, 2021, the annual unemployment rate for Rockingham County was 2.2 percent which is in line with the State of NH level of 2.1 percent. Major employers in Rockingham County include Lindt & Sprungli USA Inc., Exeter Hospital, Portsmouth Regional Hospital, and Nextera Energy.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR. According to 2021 D&B data, there were 14,972 non-farm businesses in the Rockingham County-Strafford County, NH MD assessment area. GARs for the businesses are as follows.

- 89.1 percent have \$1 million or less.
- 4.2 percent have more than \$1 million.
- 6.7 percent have unknown revenues.

Service industries represent the largest portion of businesses at 36.4 percent; followed by non-classifiable establishments at 18.3 percent and retail trade at 11.0 percent. In addition, 66.2 percent of area businesses have four or fewer employees and 92.6 percent operate from a single location.

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

### **Community Contact**

Examiners contacted a representative of an economic development organization in Derry. The contact explained that more banks need to be involved in participating/sponsoring small business seminars. The contact stated that several community banks participate in workshops for small businesses and would like to see in-person events soon. The contact would like to have outreach events consisting of bankers and businesses discussing opportunities and creating partnerships.

### **Competition**

The bank operates in a competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 13 financial institutions operated 31 offices in the assessment area. Of these institutions, Primary Bank ranked 10<sup>th</sup> with a 0.08 percent market share. Citizens Bank ranked 1<sup>st</sup> with 1.43 percent market share followed by Bank of New England with 1.14 percent market share.

The analysis of small business loans under the Lending Test does not include comparisons against aggregate data.

### **Credit and Community Development Needs and Opportunities**

Considering community contact information, bank management, demographics, and economic data, examiners determined that small business lending and in-person seminars and workshops are the assessment area's primary credit and community development needs.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN ROCKINGHAM COUNTY-STRAFFORD COUNTY, NH MD ASSESSMENT AREA**

### **LENDING TEST**

Primary Bank demonstrated reasonable performance under the Lending Test in the Rockingham County-Strafford County, NH MD assessment area. Borrower Profile performance primarily supports this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. Examiners focused on the percentage of loans, by number, in the moderate-income census tracts.

### ***Small Business Loans***

The geographic distribution of small business loans reflects excellent dispersion. Examiners compared the bank's lending activity to demographic data. Lending in moderate-income tracts significantly exceeded demographics. This is partially attributed to the fact that the bank maintains an office in one of the two moderate-income census tracts.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	8.0	27	22.3	4,130	29.1
Middle	61.7	63	52.1	6,894	48.7
Upper	29.6	29	24.0	3,109	21.9
N/A	0.7	2	1.7	36	0.3
<b>Total</b>	<b>100.0</b>	<b>121</b>	<b>100.0</b>	<b>14,169</b>	<b>100.0</b>

*Source: 2021 D&B Data; Bank Data*

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. For small business lending, examiners focused on the bank's percentage of small business loans to businesses with GARs of \$1.0 million or less.

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration to businesses of different sizes with GARs of \$1 million or less. In 2021, the bank lent 34.7 percent of its small business loans to businesses with GARs less than \$1 million, which is significantly less than demographics. This lower lending is mainly attributable to the fact that 65.3 percent (79 loans) of the bank's small business lending during 2021 were PPP loans for which the bank was not required to collect the revenue.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
≤ \$1,000,000	89.1	42	34.7	9,338	65.9
> \$1,000,000	4.2	0	0.0	0	0.0
Revenue Not Available	6.7	79	65.3	4,831	34.1
<b>Total</b>	<b>100.0</b>	<b>121</b>	<b>100.0</b>	<b>14,169</b>	<b>100.0</b>

*Source: 2021 D&B Data; Bank Data*

### **COMMUNITY DEVELOPMENT TEST**

Primary Bank demonstrated adequate responsiveness to the community development needs of its Rockingham County-Strafford County, NH MD assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities.

### **Community Development Loans**

Primary Bank originated 12 community development loans in the Rockingham County-Strafford County, NH MD assessment area totaling approximately \$5.1 million during the evaluation period. All community development loans were SBA 504 loans that promoted economic development. The following are some examples of the bank's community development loans.

- In 2020, the bank granted a \$639,000 SBA 504 loan to a laundromat located in Derry, NH. This loan assisted the business with purchasing equipment.
- In 2021, the bank granted a \$1.4 million SBA 504 loan to a moving and storage business located in Londonderry, NH. This loan assisted the business in remaining open during the Covid-19 pandemic and retaining jobs.

### **Qualified Investments**

During the evaluation period, Primary Bank did not make any donations within the Rockingham County-Strafford County, NH MD assessment area. Although none of the donations specifically benefited the Rockingham County-Strafford County, NH MD assessment area, the bank provided donations to organizations that provide services to all of NH, including this assessment area.

### **Community Development Services**

During the evaluation period, an employee provided 227 hours of technical assistance to one community development organization. Specifically, a bank loan officer served as treasurer and a member of the Executive, Loan, and Comprehensive Economic Development Strategy Committees of an economic development corporation that works independently or in partnership with local lenders and assists small businesses and local projects by providing alternative financing, which leads to job creation.

## **APPENDICES**

### **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;

- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.



**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



## **Primary Bank Branch locations**

### **Bedford Main Office**

207 Route 101

Bedford, NH 03110

Census tract for this location: 33-011-0029.01

#### **Hours of Operations lobby and drive-up:**

Monday: 8:30 am – 5:00 pm  
Tuesday: 8:30 am – 5:00 pm  
Wednesday: 8:30 am – 5:00 pm  
Thursday: 8:30 am – 5:00 pm  
Friday: 8:30 am – 5:00 pm  
Saturday: 9:00 am – 12:00 pm  
Sunday: Closed

ATM 24/7/365.

### **Manchester Branch Office**

1662 Elm Street

Manchester, NH 03101

Census tract for this location: 33-011-2004.00

#### **Hours of Operations:**

Monday: 8:30 am – 5:00 pm  
Tuesday: 8:30 am – 5:00 pm  
Wednesday: 8:30 am – 5:00 pm  
Thursday: 8:30 am – 5:00 pm  
Friday: 8:30 am – 5:00 pm  
Saturday: Closed  
Sunday: Closed

There is no Drive-up and no ATM.



## **Primary Bank Branch locations Continued**

### **Derry Branch Office**

23 Crystal Ave

Derry, NH 03038

Census tract for this location: 33-015-0034.00

### **Hours of Operations:**

Monday: 8:30 am – 5:00 pm

Tuesday: 8:30 am – 5:00 pm

Wednesday: 8:30 am – 5:00 pm

Thursday: 8:30 am – 5:00 pm

Friday: 8:30 am – 5:00 pm

Saturday: Closed

Sunday: Closed

There is no Drive-up. Walk-up ATM 24/7/365.

### **Nashua Branch Office**

327 Amherst Street

Nashua, NH 03063

Census tract for this location: 33-011-0102.01

### **Hours of Operations:**

Monday: 8:30 am – 5:00 pm

Tuesday: 8:30 am – 5:00 pm

Wednesday: 8:30 am – 5:00 pm

Thursday: 8:30 am – 5:00 pm

Friday: 8:30 am – 5:00 pm

Saturday: Closed

Sunday: Closed

There is no Drive-up and no ATM.



Branches Opened in Current and previous Two Years

The Nashua branch was opened December 20, 2021.

No branches have been closed.

*Updated April 1, 2024*





Primary Bank  
Commercial Loan Products Offered

- Working Capital Lines of Credit;
- Business Term Loans;
- Letters of Credit;
- Loans to Non-Profits;
- Owner Occupied Real Estate Loans;
- SBA 7(a), SBA Express and SBA 504 Loans;
- Non-Owner Occupied Real Estate loans;
- Acquisition and Development Loans;
- Residential Sub-division Loans;
- Non-Owner Occupied Multi-Family Loans;
- Non-Owner Occupied 1-4 Family loans;
- Land Loans;
- Construction Lines of Credit;
- Construction Loans

There is no material difference in the availability or cost of services or products at particular branch.



## At-A-Glance Account Information

For Internal Use Only – Do Not Distribute

Effective Date: 08/01/2024

Product	Minimum Deposit to Open	Minimum Daily Balance Requirements	Monthly Service Charge if Minimum Balance not met	Transaction Limitations	Transaction Fees	Interest Information
<b>Personal Checking</b>						
Primary Basic Checking	\$100.00	\$0.01	\$0.00	N/A	\$0.00	N/A
Primary Interest Checking	\$100.00	\$1,000.00	\$10.00	N/A	\$0.00	Interest earned if minimum daily balance maintained
<b>Personal Savings</b>						
Primary Statement Savings	\$100.00	\$300.00	\$3.00	* Up to 6 electronic or preauthorized withdrawals per statement cycle	*\$10 transaction fee for each item over 6 electronic or preauthorized withdrawals	Interest Bearing
Primary Money Market	\$1,000.00	\$1,000.00	\$7.00	*Up to 6 electronic or preauthorized withdrawals per statement cycle	*\$10 transaction fee for each item over 6 electronic or preauthorized withdrawals	Tiered interest based on balance
CHOICE Money Market	\$10,000.00	\$10,000.00	\$7.00	*Up to 6 electronic or preauthorized withdrawals per statement cycle	*\$10 transaction fee for each item over 6 electronic or preauthorized withdrawals	Tiered Interest based on balance
CDs & IRA CD's: 6, 12, 18 Month & 2,3,4,5 Year	\$1,000.00	N/A	N/A	N/A	N/A	Interest Bearing
CDs & IRA CD's: 15 Month	\$10,000.00	N/A	N/A	N/A	N/A	Interest Bearing
Health Savings Account	N/A	N/A	N/A	N/A	N/A	Tiered interest based on balance

\*Fee assessed for each item over 6 transfers and/or withdrawals by means of preauthorized, automatic, telephone, online, electronic, or checks during each statement cycle

For additional information refer to the account terms and conditions in the bank's Truth in Savings Disclosure. Products, terms and conditions may change at any time.





## At-A-Glance Account Information

For Internal Use Only – Do Not Distribute

Effective Date: 08/01/2024

Product	Minimum Deposit to Open	Minimum Daily Balance Requirements	Monthly Service Charge if Minimum Balance not met	Transaction Limitations	Transaction Fees	Interest Information
<b>Business Checking</b>						
Primary Business Checking	\$100.00	\$0.01	\$0.00	Up to 100 transactions per statement cycle	\$0.50 per debit & credit item over 100 per statement cycle	N/A
Primary Plus Checking	\$100.00	\$1,000.00	\$6.00	Up to 100 debits per statement cycle	\$0.25 per debit item over 100 per statement cycle if minimum daily balance not maintained	Interest earned if minimum daily balance maintained
Primary Business Analyzed Checking	N/A	\$100.00	Earnings credit used to offset account activity charges	N/A	Earnings credit used to offset account activity charges	N/A
IOLTA	N/A	\$0.00	\$0.00	N/A	N/A	Interest Bearing
<b>Business Savings</b>						
Primary Business Statement Savings	\$100.00	\$500.00	\$5.00	*Up to 6 electronic or preauthorized withdrawals per statement cycle	*\$10 transaction fee for each item over 6 electronic or preauthorized withdrawals	Interest Bearing
Primary Business Money Market	\$2,500.00	\$2,500.00	\$15.00	*Up to 6 electronic or preauthorized withdrawals per statement cycle	*\$10 transaction fee for each item over 6 electronic or preauthorized withdrawals	Tiered interest based on balance
Choice Money Market	\$10,000.00	\$10,000.00	\$7.00	*Up to 6 electronic or preauthorized withdrawals per statement cycle	*\$10 transaction fee for each item over 6 electronic or preauthorized withdrawals	Tiered interest based on balance
CDs: 6, 12, 18 Month & 2,3,4,5 Year	\$1,000.00	N/A	N/A	N/A	N/A	Interest Bearing
CDs : 15 Month	\$10,000.00	N/A	N/A	N/A	N/A	Interest Bearing

\*Fee assessed for each item over 6 transfers and/or withdrawals by means of preauthorized, automatic, telephone, online, electronic, or checks during each statement cycle

For additional information refer to the account terms and conditions in the bank's Truth in Savings Disclosure. Products, terms and conditions may change at any time.





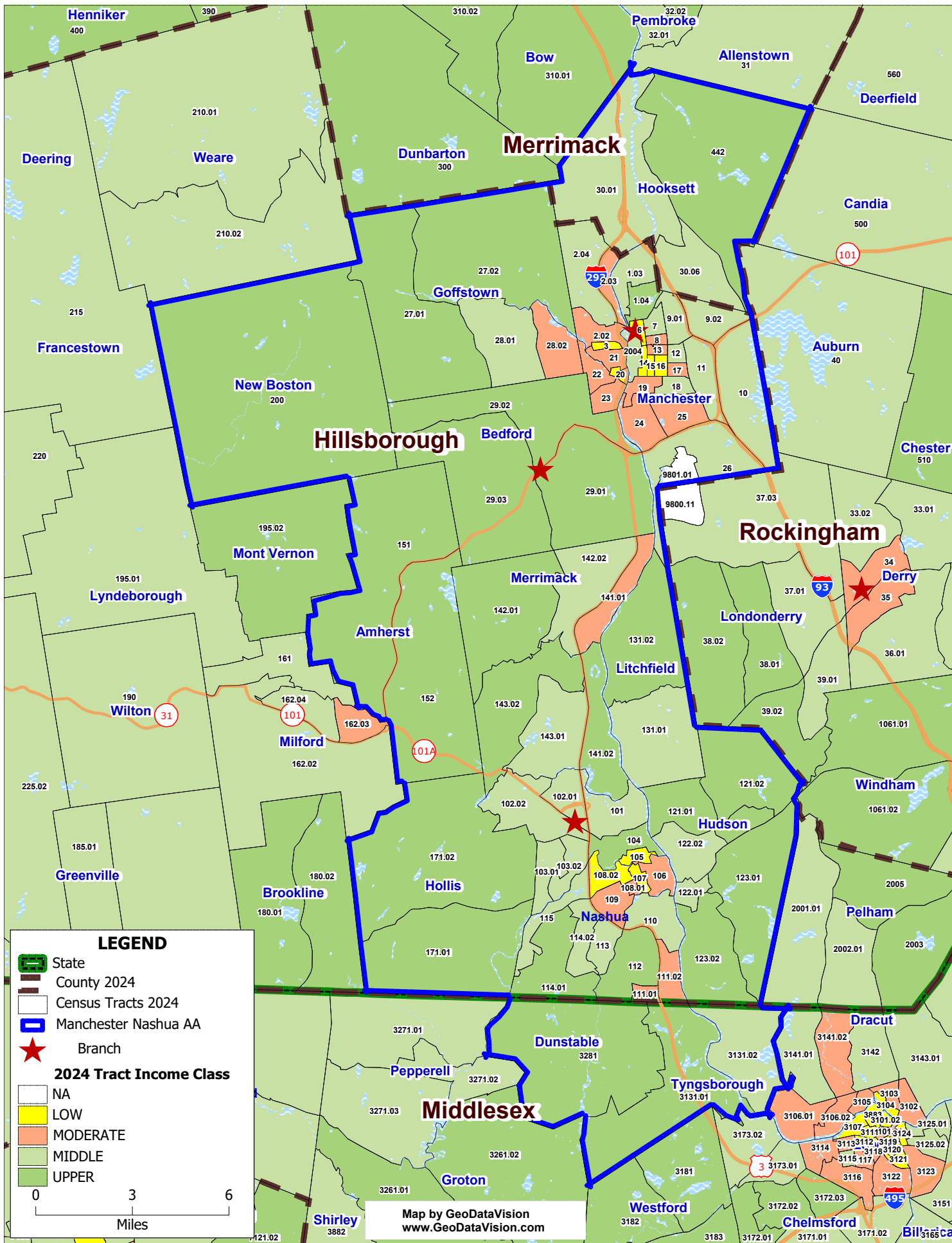
## Fee Schedule

**FEES AND CHARGES.** The following fees and charges may be assessed against your account:

Check printing fees vary by the style of check ordered.

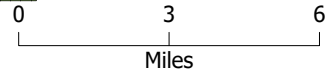
NSF/Overdraft Item returned (per item)	\$35.00
NSF/Overdraft Item paid (per item)	\$35.00
MasterCard cross border fees are	0.90% of the transaction amount
Bank check	\$6.00
Legal processing (tax, levies, writs, attachments)	\$120.00
Replace lost Debit Card	\$10.00
Rush Debit Card Delivery	\$50.00
Account research (per hour; minimum two hours)	\$30.00
Duplicate statement	\$10.00
Copy of check	\$5.00
Stop payment (each)	\$28.00
Account closed within 90 days of opening	\$25.00
Wire transfer - domestic outgoing	\$25.00
Wire transfer - domestic incoming	\$10.00
Wire transfer - international outgoing	\$40.00
Wire transfer - international incoming	\$30.00
Foreign collection item (per item)	\$15.00
Foreign currency exchange	\$15.00
Photocopy fee (per page)	\$1.00
Fax fee (per page)	\$1.00
Sweep fee (per occurrence)	\$10.00
Temporary checks (per sheet/four checks)	\$1.00
Coin counting fee	5% of total amount

# PRIMARY BANK- MANCHESTER-NASHUA ASSESSMENT AREA 2024



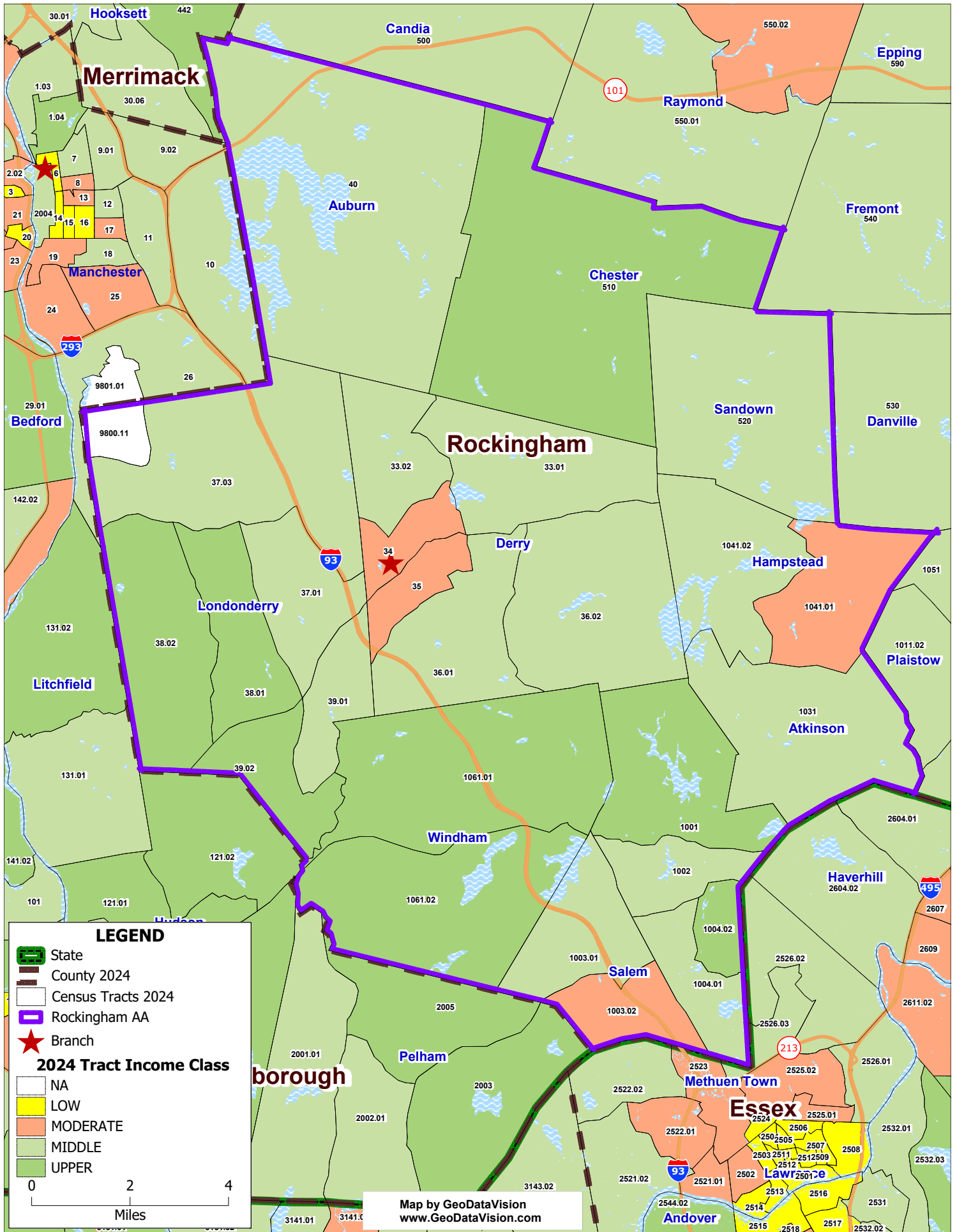
## LEGEND

- State
  - County 2024
  - Census Tracts 2024
  - Manchester Nashua AA
  - Branch
- 2024 Tract Income Class**
- NA
  - LOW
  - MODERATE
  - MIDDLE
  - UPPER



Map by GeoDataVision  
www.GeoDataVision.com

# PRIMARY BANK- ROCKINGHAM ASSESSMENT AREA 2024

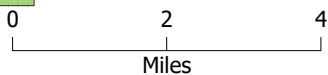


## LEGEND

- State
- County 2024
- Census Tracts 2024
- Rockingham AA
- Branch

### 2024 Tract Income Class

- NA
- LOW
- MODERATE
- MIDDLE
- UPPER



Primary Bank HMDA-LAR Report for 2023 may be obtained on the Consumer Financial Protection Bureau website at [www.consumerfinance.gov/hmda](https://www.consumerfinance.gov/hmda)

Primary Bank was not a HMDA reporter for 2024.