

2023 Annual Report



2023 Primary Bank Young Hero Scholarship Awardees





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BOARD OF DIRECTORS

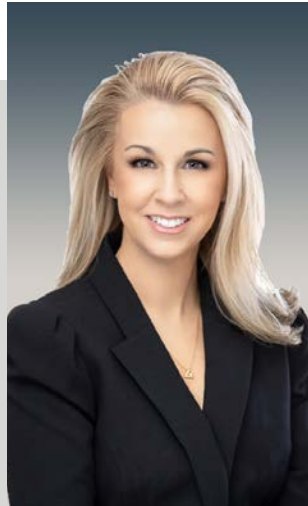
William Greiner - Chairman
Philip Taub - Vice Chairman
Dick Anagnost
Pamela Diamantis
Stephen Duprey
Mark Feraco
J. Michael Hickey
John Lynch
Peter Milnes

Marie McKay
Robert Prunier
Daniel Sklar
Kenneth Solinsky
William Tucker
Nicholas Vailas
Mike Vlacich

SENIOR MANAGEMENT TEAM



William Greiner
Interim CEO



Crystal A. Dionne, CPA
EVP/Chief Financial Officer



Thomas M. Conaton
EVP/Sr. Lender



Renate M. Wallem
EVP/Chief Operations Officer

COMPANY PROFILE

Primary Bank is a locally owned community bank that provides small and medium-sized businesses options for loans, cash management, and other banking functions, as well as providing traditional consumer deposit banking products.



As a true locally owned and managed community bank, we are in a unique position to provide exceptionally quick and individualized banking solutions that fit our clients' needs. We know that each business is unique, and we look for creative solutions to support our local business partners. All decisions are made locally, based on first-hand knowledge of the NH business climate. Our innovative thinking and entrepreneurial spirit encourage small business success. In addition, we are committed to being an active and supportive member of the local communities we serve.

Headquartered at 207 Route 101 in Bedford, New Hampshire, Primary Bank commenced operations on July 28, 2015. In January 2019, we opened our second location at 1662 Elm Street in Manchester, New Hampshire. In March 2020, we opened our third branch at 23 Crystal Avenue in Derry, New Hampshire. In December 2021, we opened our fourth branch at 327 Amherst Street in Nashua, New Hampshire. Primary Bank is organized under the laws of the State of New Hampshire and is regulated by the NH Banking Department and the FDIC.



CHAIRMAN'S MESSAGE

2023 was a challenging year for banks in general, with a handful of failures earlier in the year due to poor management and poor strategic decisions. The vast majority of banks were not impacted by those events other than assuring customers and shareholders that these were isolated incidents. Perhaps the biggest challenge in 2023 was attracting new deposits so that banks could continue to lend and grow their balance sheets.

Primary Bank is fortunate to have established itself as the premier community bank in New Hampshire, and the large customer and shareholder base has been an important part of our success. Going forward we will continue to foster deeper relationships with both.

Last year also saw a leadership transition. We moved forward after Bill Stone left his position and I assumed the role of CEO on an interim basis, with the goal to name a successor in Q1 2024. I am pleased to say that Primary Bank is in excellent hands with our new President and CEO Crystal Dionne in place, and we look forward to another solid year as New Hampshire's "go-to community bank."



Sincerely,

A handwritten signature in black ink, appearing to be 'W Greiner', written in a cursive style.

William Greiner
Founder & Chairman



AWARDS AND RECOGNITION

Business

NEW FLEET OF SCHOOL BUSES School districts take a look at EVs

By John Kozlowski
 Thousands of school districts are taking a look at electric vehicles (EVs) as a way to reduce their carbon footprint and save money on fuel. The National Education Association (NEA) says that school districts are looking at EVs for a variety of reasons, including the fact that they are quieter and have lower maintenance costs. The NEA also notes that EVs are becoming more affordable and that many states are offering incentives to encourage their use.



Randy Perna, the northeast commissioner for the 20th Circuit and the director of the Vermont State Police, stands next to the Vermont State Police's first electric school bus.

Primary is No. 1 in the Northeast



Bedford-based lender ranked best in banks under \$10 billion

By Mike Cox
 Primary Bank, a Bedford-based lender, has been named the top performing bank in the Northeast by S&P Global Market Intelligence. The bank's performance was based on a variety of factors, including its strong financial results and its commitment to customer service. Primary Bank's CEO, John J. Sullivan, said that the bank is proud of this recognition and is committed to continuing to provide the highest quality service to its customers.

Banking rumbles reach NH

By Mike Cox
 The failure of West Coast Bank, a specialty lender in California, has had a ripple effect across the Northeast. Primary Bank is one of the banks that has seen an increase in deposits and new customers since the failure of West Coast Bank. Primary Bank's CEO, John J. Sullivan, said that the bank is pleased with this increase and is committed to providing the highest quality service to its customers.

Increasingly, bosses are monitoring workers at home

By Matthew Papp
 More than one in three employees (32%) now use company laptops to work from home, according to a new survey by the Pew Research Center. The survey also found that many employers are monitoring their employees' online activity while they are working from home. This has led to concerns about privacy and the right to disconnect. The Pew Research Center says that this trend is likely to continue as more companies move to remote work.

Primary Bank was Ranked #1 Performing Bank in the Northeast by S&P Global

In March of 2023, S&P Global Market Intelligence ranked Primary Bank the #1 performing community bank in the Northeast with assets under \$10 billion. S&P Global Market Intelligence annually ranks the nation's best-performing banks and credit unions. The analysis reviewed 477 eligible banks and thrifts. According to S&P Global, these rankings are based on returns, growth, and efficiency but primarily on the strength and risk profile of the institutions' balance sheets.

The report states, "Primary Bank had an equal or higher value than the median of top 50 community banks in the region in six of the seven metrics analyzed, according to S&P Global Market Intelligence data. At 51.5%, Primary recorded the highest five-year average operating revenue growth among the top 50 banks on the list, much higher than the 6.5% median recorded for all 447 eligible banks."



J.P. O'Sullivan, Managing Director of Financial Institutions at S&P Global Market Intelligence said, "Year-after year, we see the increasingly significant role that community banks and credit unions play in their local communities. From metropolitan cities to the rural towns across the US, access to credit through local banks and credit unions is a key driver for local economic growth. S&P Global Market Intelligence is extremely pleased to recognize all of the top performing community banks and credit unions."

COMMITTED TO NEW HAMPSHIRE

At Primary Bank we recognize local small businesses are the cornerstone of New Hampshire's economy. They make up 99% of the companies in New Hampshire and employ almost half the state's workforce. Every day, small businesses create jobs, drive innovation, and support the local community.

As a community bank, Primary provides the localized personal attention today's small and mid-sized business owners are looking for and can offer individualized banking solutions that best fit their needs.

Our local decision-making enables us to react quickly. Our direct knowledge of the Granite State business climate provides valuable expertise to customers and shareholders alike. Armed with a nimble approach, Primary continued to support lending needs despite late year headwinds.

During 2023, Primary Bank committed \$120 Million in small business lending. These efforts funded business acquisition, residential real estate development, medical facilities, business expansion and operations.

S&P Global ranked Primary Bank the #1 performing community bank in the Northeast. The analysis reviewed 477 eligible banks and thrifts and found Primary ranked among the top of it's peers.

We grew our customer service team in order to support our growth and continue to offer the professional and client-centered service we are known for.

Our unwavering focus on our clients contributed to the continued strength of our local economy and further demonstrated why Primary is NH's small business bank of choice.

We remain committed to investing your deposits locally, giving back to the community, and ensuring local businesses achieve success.



GIVING BACK

Primary Bank Young Hero Scholarship

When Primary Bank launched the Young Hero Scholarship Program at the beginning of the year, the goal was to discover service-oriented, community-minded high school students throughout the



state. The most pleasant surprise was the volume and limitless generosity of so many high school-aged students in New Hampshire, which made it difficult to select only twelve from the pool of more than 50 applicants.

Throughout 2023, the Primary Bank Young Hero Scholarship Program recognized the outstanding efforts of selfless, committed New Hampshire students, highlighting their inspirational stories. The scholarship pool of nearly \$25,000 was divided into 12 monthly awards of \$1,000, awarded each month, a Young Hero of the Year award of \$10,000 and People's Choice award of \$2,500.

Primary Bank selected a dozen altruistic, compassionate high school students who have made tangible differences in their communities and schools as scholarship winners, with two rising to the top as the Primary Bank Young Hero of the Year and the People's Choice Award Winner. All twelve students were honored at a special reception recognizing their achievements and receiving citations from New Hampshire Governor Sununu. Community members, educators, non-profit leaders, and families were in attendance to salute the accomplishments of these young leaders.



Primary Bank Young Hero Scholarship Winners, L to R: Corinne Kelly, Emma Polyukhovich, Jillian LeBlanc, Angelina Townsend, Kathryn Mikol, Governor Chris Sununu, Raquel DeLeo, Siena Muccioli, Sophia Baird, Ryan Rankins, Gibson Griffith. Not Pictured: Brooke Adams and Calvin Plante.

GIVING BACK

Primary Bank's internal committee selected Pinkerton Academy student Emma Polyukhovich as the Young Hero of the Year. Over the past two years, she has volunteered countless hours collecting humanitarian aid and has raised thousands of dollars to support relief for her family's native country of Ukraine. Emma has worked alongside non-profits including the "Common Man for Ukraine" and "Give Help Kyiv."

The People's Choice award was chosen by the general public through a social media campaign featuring self-submitted videos from each of our twelve scholarship winners. Nearly 7,000 votes were cast to help award this honor to recent Pelham High School



graduate Corinne Kelly. Corinne has been recognized for her work with "Operation Care for Troops," for whom she has helped send more than 10,000 care packages to deployed military among many other volunteer activities.



"We are so inspired by the outstanding community efforts of these students," said Bill Greiner, Primary Bank Interim CEO. "They have truly shown us the meaning of charity and have inspired us to consider new avenues in which we might be able to foster charitable efforts among New Hampshire's youth."

Congratulations to all twelve winners, and our sincere thanks for all that they have done to impact the lives of others locally and globally.



ON US EVENTS

Partnering and reinvesting in the community, Primary Bank hosts “on us” events aimed at engaging and boosting local businesses. Partnering with our clients at local shops and food carts, the Bank gave out free coffee, smoothies, hot dogs and hamburgers.

We relished the opportunity to support local business, make new connections and engage with the community.



During Halloween, Primary Bank teamed up with Miss Auburn NH, Corinne Kelly in collecting “Treats 4 Troops.” We urged the community to donate their leftover Halloween candy which would be used in care packages sent to service members overseas. Hundreds of pounds of candy were collected.



At Thanksgiving, employees supported Families in Transition’s Annual Breakfast Fundraiser, which brings awareness and raises funds for homelessness and food insecure individuals and families.

COMMUNITY INVOLVEMENT

Primary Bank supported many community initiatives with sponsorships and volunteerism during 2023. Among them:

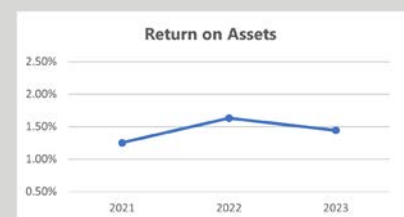
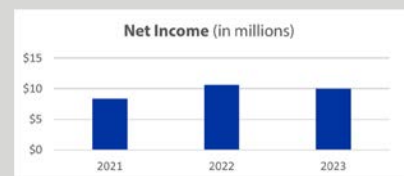
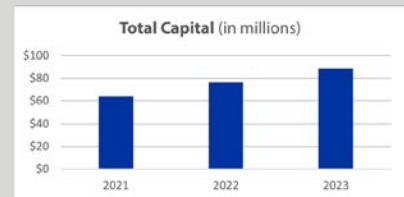
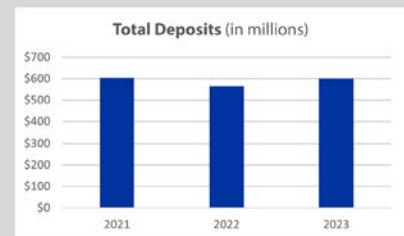
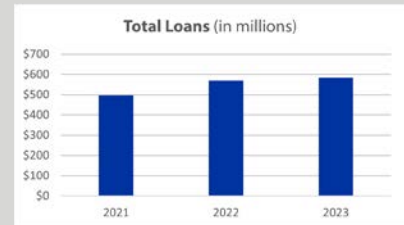
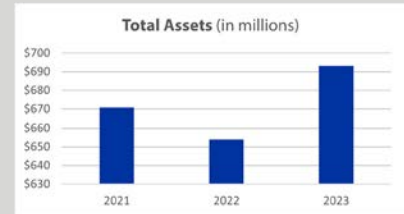


FINANCIAL HIGHLIGHTS

Primary Bank

Summary Balance Sheets (In Thousands)

	2023	2022
Assets		
Total cash and cash equivalents	\$ 91,327	\$ 65,081
Investment securities	9,246	9,810
Net loans	584,249	570,168
Operating lease right-of-use assets	1,977	1,714
Other assets	7,197	7,215
Total assets	\$ 693,996	\$ 653,988
Liabilities and Capital		
Deposits	\$ 600,781	\$ 564,578
Borrowings	-	10,000
Operating lease liabilities	2,021	1,749
Other liabilities	2,930	1,355
Total liabilities	\$ 605,732	\$ 577,682
Retained earnings	31,641	21,206
Common stock and additional paid-in-capital	56,623	55,100
Total capital	88,264	76,306
Total liabilities and capital	\$ 693,996	\$ 653,988

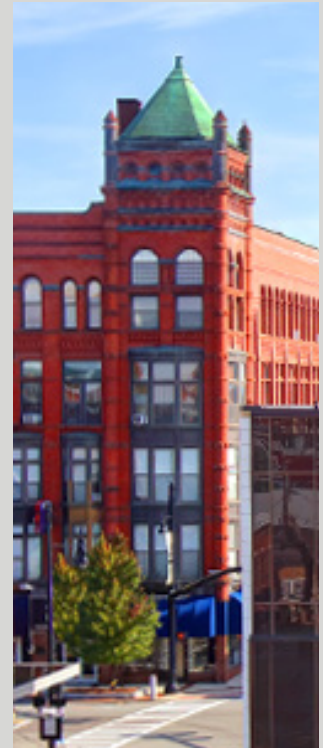


Primary Bank

Summary Statement of Operations (In Thousands)

	2023	2022
Interest and dividend income	\$ 36,579	\$ 27,835
Interest expense	9,429	2,504
Net interest income	27,150	25,331
Provision for loan losses	735	1,401
Net interest income after provision for loan losses	26,415	23,930
Other income	600	618
Operating expense	13,281	9,914
Income before income taxes	13,734	14,634
Income tax provision	3,733	3,974
Net income	\$ 10,001	\$ 10,660

SERVING NEW HAMPSHIRE WITH 4 LOCATIONS



Bedford
Derry
Manchester
Nashua

207 Route 101, Bedford, NH 03110
23 Crystal Avenue, Derry, NH 03038
1662 Elm Street, Manchester, NH 03101
327 Amherst Street, Nashua, NH 03063

PrimaryBankNH.com

