



2021 Report to Our Community



MERRIMACK
COUNTY SAVINGS BANK



To our Customers, Community and Employees

For over 155 years, the Merrimack has remained resilient and steadfast during periods of economic prosperity, as well as through turbulent times in United States history. That stands true to this day, as we prevail through another year of the pandemic while adapting to a “new normal.”

Founded in 1867 to provide the people of Greater Concord with a means of earning interest on their savings accounts and a source of funds for home purchases, the Merrimack has become much more than just a bank. Throughout the years, the Merrimack has evolved to become a cornerstone of the community – prioritizing financial support, volunteerism and assistance to all regions we serve.

From mortgages to commercial loans fitting individual needs, to hassle-free checking and savings accounts, and assisting our small business and local communities as much as we are able to – that’s Merrimack Style, and it’s a philosophy of business we adhere to everyday.

Merrimack Style

The Merrimack has consciously developed and adhered to a way of conducting business that reflects our mission and unique personality. This business philosophy has become a tradition – and it's referred 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 marketplace over the long term and deliver enduring community leadership as a good corporate citizen through staff volunteerism and financial support.
- We treat our employees with dignity and respect, and we 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 at large. It is treating everyone – customers, employees and community members – with dignity, care, respect and compassion.



Supporting Businesses and Residents



Commercial Lending

On the business side, our commercial lending team closed 362 Small Business Administration (SBA) Paycheck Protection Program (PPP) loans in Round Two during February, March and April — delivering \$32 million in additional relief payments to business customers in need. Additionally, we processed the forgiveness of 777 SBA PPP loans totaling \$86.9 million, mostly from the First Round originated in 2020. We also processed 199 new business loans to borrowers, often partnering with the SBA or using NH Business Finance Authority (BFA) programs. Our collective efforts led to being recognized in December as the SBA New Hampshire “Emerging SBA Lender” of the year.

Mortgage Lending

The Merrimack proudly manages and services all of our mortgages locally.

In 2021, we originated 515 loans for \$148 million, helping customers lower the cost of home ownership and realize their dreams of purchasing or building a new home. We also provided 158 home equity lines of credit or home equity loans for \$24 million. This made the Merrimack a top 5 residential mortgage lender in Merrimack County.*

In 2021, we hired a new mortgage sales leader and a new mortgage fulfillment manager, keeping in-line our goal of expanding our local mortgage team in 2022 and beyond. We also invested in new technology to make it easier for customers to apply online for mortgage products.

Our dedicated local mortgage servicing team processed payments and account inquires for 3,466 mortgage customers. During the year, we also helped 81 customers manage through the pandemic using the COVID-19 Loan Deferral program.

**Ranking provided by the Warren Group data.*

Lending a Helping Hand



The Merrimack has enjoyed a long tradition of corporate citizenship and we prioritize giving back in any way we can. We were proud to champion our community with \$418,130 in donation and sponsorship support in 2021. Our employees also gave 4,300 hours of their time in volunteer efforts.

Additionally, we purchased \$149,000 in tax credits through the NH Community Development Finance Authority (CDFA) from the Friends Program and Kimball Jenkins in Concord, Family Promise of Southern NH in Nashua, Mill City Park in Franklin and the NH Community Loan Fund for their Housing Assistance program based in Concord with services statewide.

Grant Funding

Funded by the Merrimack in 1997 for grant-based contributions to nonprofits that enrich and improve the quality of life for residents in our service areas, the Merrimack County Savings Bank Foundation awarded \$49,567 to the following organizations in 2021:

- Boys & Girls Club Central New Hampshire, Concord (\$2,000)
- Brigid's House of Hope Concord (\$3,500)
- Catholic Charities New Hampshire/ Food Bank, Manchester (\$2,300)
- Court Appointed Special Advocates (CASA), Manchester (\$2,700)
- Family Promise of Greater Concord (\$3,100)
- Family Promise of Southern NH, Nashua (\$1,500)
- Friends of Aine, Manchester (\$2,024)
- Friends of New Hampshire Drug Courts, Concord (\$2,300)
- The Front Door Agency, Nashua (\$3,100)
- Harbor Care, Nashua (\$2,080)
- The Mayhew Program, Bristol (\$2,500)
- Meals on Wheels of Hillsborough County, Merrimack (\$1,000)
- Merrimack Valley Day Care Services, Concord (\$2,166)
- New Hampshire Humanities, Concord (\$2,700)
- NHTI Community College, Concord (\$800)
- Northeast Organic Farming Association (NOFA) of New Hampshire, Concord (\$1,080)
- Penacook Community Center, Penacook (\$1,866)
- The Pittsfield Youth Workshop (\$2,400)
- Riverbend Community Mental Health, Concord (\$2,500)
- Second Start, Concord (\$2,671)
- SEE Science Center, Manchester (\$1,500)
- Webster House, Manchester (\$1,500)
- YMCA of Greater Nashua (\$2,280)

We're Honored to be Recognized



- Best Bank by the Union Leader Readers' Choice Awards in 2021
- Best Bank by Capital Area People's Preferences (CAPPIE Award), for the 11th straight year in 2021
- Small Business Administration (SBA) New Hampshire, "Emerging SBA Lender" of the year
- Linda Lorden Named one of NH Business Review's 200 Most Influential Leaders
- Linda Lorden Chosen as Community Bankers of the Year by NH Bankers in 2021
- Linda Lorden was the Greater Concord Chamber's Citizen of the Year for 2020 (announcement made in early 2021)

Innovations in Action

At the Merrimack, we're applying more focus to our roots – our customers, employees and community. From our bank branches to our website, Merrimack Style is forefront in aligning our values with our long-standing history in Central and Southern New Hampshire.

As the COVID-19 pandemic persists, enhancing the ease, convenience and security of banking remains a top priority. In 2021, we streamlined our account opening process for customers by adding the ability to open accounts from the comfort of their homes. We also realize that not all of our loan customers do their personal banking with us, so we simplified the payment process to accept external loan payments through our online banking platform.

Additionally, we were able to increase our use of electronic signature technology across the organization, improving the customer experience while simultaneously enhancing operational efficiency. Implementing electronic signatures has allowed us to interact with our customers in the manner that has been most convenient and comfortable for them, enhancing their experience by eliminating the need to print, scan and move physical documents.

Looking past COVID, the Merrimack is making it easy for customers to save for a getaway with the launch of GOALS, our newest complimentary online and mobile banking feature that allows customers to keep their targeted savings separate from their everyday spending and savings accounts.



2021 Financial Highlights

Merrimack County Savings Bank Executive Summary December 31, 2021

Balance Sheet (\$000's)	December 2020	December 2021
Interest Bearing Deposits	26,483	54,790
Intercompany Fed Funds Sold	-	-
Investment Securities	83,250	147,160
Loans	877,581	916,217
Assets	1,037,547	1,163,252
Deposits	874,721	967,614
Repurchase Agreements	46,856	71,236
Intercompany Fed Funds Purchased	-	-
Borrowed Funds	8,086	7,620
Equity	102,512	112,425

Balance Sheet Statistics (%):	December 2020	December 2021
On-Balance Sheet Liquidity	6.57%	11.12%
Basic Surplus (30 Day)	22.02%	25.08%
Loan to Deposit	101.79%	94.10%
Loan to Asset	83.43%	77.53%
ALLL to Loans	0.98%	1.02%
Leverage Capital	9.20%	9.34%
Tier 1 Risk Based Capital	13.42%	13.64%
Total Risk Based Capital	14.65%	14.81%

2021 Financial Highlights

Merrimack County Savings Bank Executive Summary December 31, 2021

Income Statement (\$000's)	December 2020	December 2021
Interest Income	38,271	38,414
Interest Expense	4,814	1,675
Net Interest Income	33,457	36,739
Provision for Loan Losses	2,837	816
Other Income	6,256	3,733
Other Expense	27,725	28,266
Pre-Tax Income	9,150	11,389
Provision for Taxes	2,161	2,796
Net Income	6,989	8,593

Income Statement Statistics (%)	December 2020	December 2021
Yield on Earning Assets	3.97%	3.56%
Cost of Paying Liabilities	0.53%	0.17%
Net Spread	3.44%	3.39%
Net Interest Margin	3.48%	3.40%
Return on Average Assets	0.69%	0.76%
Operating Expense to Average Assets	2.74%	2.53%
Efficiency Ratio	69.81%	69.84%

Directors and Corporators

DIRECTORS

Chair: William H. Dunlap, *Hopkinton*

Vice Chair: Michael B. Green, *Contoocook*

Peter G. Bloomfield, *Hollis*

Christopher Brown, *Concord*

Sarah Mattson Dustin, *Contoocook*

Jeffrey S. Kipperman, *Enfield*

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*

Jamie Burnett III, *Concord*

Jonathan Chorlian, *Concord*

James Corrigan, *Contoocook*

Michael Coughlin, *Canterbury*

John Cross, *Concord*

Glenn Currie, *Concord*

Kelli D'Amore, *Deerfield*

Jane Difley, *Webster*

Philip Emma, *Henniker*

David Gazaway, Jr., *Bow*

John Gilbert, *Greenland*

Ryan Hvizda, *Concord*

Sylvia Larsen, *Concord*

Stephanie McLaughlin, *Manchester*

Tara Reardon, *Concord*

Jonathan Ruggles, *Concord*

Elizabeth Salas Evans, *Weare*

Peggy Senter, *Concord*

Bradford Smith, *Jaffrey*

Jay Stewart, *Hollis*

Sally Tanner, *Concord*

Daniel Weeks, *Nashua*

Officers

Executive

Linda J. Lorden, President
Stacie Harriman, Executive Assistant &
Assistant Corporate Secretary

Commercial Lending

James Gallagher, SVP Senior Commercial Lending Officer
Terrie McQuillen, SVP Credit & Administration
David Peterson, SVP Commercial Lending Team Leader
Margot Elise Anderson, VP Commercial Loan Officer
Thomas Dustin, VP Commercial Loan Officer
Ryan Frazier, VP Commercial Loan Officer
Randy Guay, VP Commercial Loan Officer
Beth Hurd, VP Credit Administration
Randy Sivigny, VP Commercial Loan Officer
Michael Vlahos, VP Commercial Loan Officer
Lynda Paquette, VP Commercial Loan Administration

Residential Lending

Chris Mamone, VP Residential Mortgage Sales
Stephanie Burnor, Mortgage Sales Support Manager

Retail Banking

Mary Lynne Rahlson, SVP Senior Retail Banking Office
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

Consumer Lending

Arthur Letendre, SVP Consumer Loan Officer
Carol Ritchie, VP Consumer Loan Officer

Marketing

Diana Johnson, VP Marketing Officer



President's Message

We saw signs of hope in 2021, and remain grateful for the resilience of our employees and the community. We took this time to reaffirm our commitment to customers, the community and each other. We could not wait to come back to the Friendly Kitchen and our teams began volunteering again in earnest by planning, shopping and preparing for meals on-site. I was moved to see that temporary setbacks did not discourage the community from coming together in support of key outdoor events like Rock N Race, Market Days and Multi-Cultural festivals.

Despite many events being canceled, postponed or reconfigured to accommodate the new norm, we were more determined than ever to support our community. I'm proud that we continue to champion the Concord Coalition to End Homelessness and their Safe Spaces campaign, which supports housing for people exiting homelessness. We were also happy to assist our friends at Harbor Homes in Nashua by contributing to their Dignity of Home initiative, which focuses on moving homeless families and individuals into safe, stable housing during the coldest three months of the year.

Our refreshed website now reflects our identity and commitment to Merrimack Style, which is treating everyone – be it customer, employee or community member – with dignity, care, respect and compassion. I was humbled by the participation from employees throughout all of NHMB who contributed their perspective on how we define Merrimack Style, as both a value statement and brand focus.

I am proud to say that despite the ongoing pandemic, our employees persevered and all of our retail branches remained open with regular hours throughout the year. Their hard work and dedication continues to amaze me and it shows in the 12.7% growth we saw from 2020. They have worked together to deliver exceptional customer service with Merrimack Style. I continue to be inspired by their tenacity, strength and compassion and look forward to all we build together in 2022.

Sincerely,

A handwritten signature in black ink, appearing to read 'LJL', written in a cursive style.

Linda J. Lorden
President



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