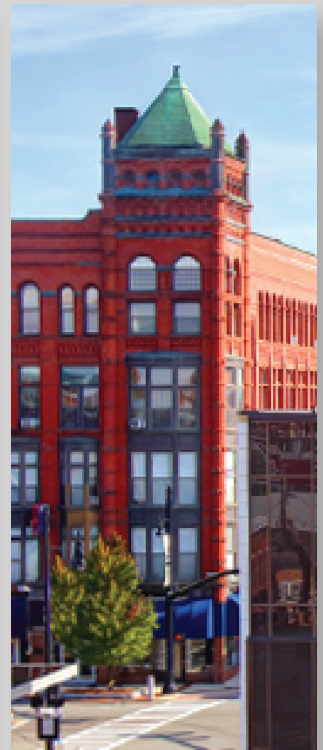


2022 Annual Report





Company Profile	4
Chairman's Message	5
President's Message	6
Committed to New Hampshire	7
Giving Back	8
Youth Sports	8
On Us Events	9
Community Involvement	9
Financial Highlights	11

BOARD OF DIRECTORS

William Greiner - Chairman
Philip Taub - Vice Chairman
William Stone
Dick Anagnost
Pamela Diamantis
Mark Feraco
J. Michael Hickey
John Lynch

Kenneth Solinsky
William Tucker
Peter Milnes
Marie McKay
Robert Prunier
Daniel Sklar
Nicholas Vailas

SENIOR MANAGEMENT TEAM



William E. Stone
President/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.



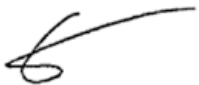
CHAIRMAN'S MESSAGE

2022 saw a return to a more normal business environment and Primary Bank played an important role in working with our customers in the post pandemic environment. Despite the continual and rapid interest rate hikes, we did not see a slowing in demand for commercial lending and finished the year on a strong note, while posting record earnings for the bank.

As we enter a new year, there are new challenges ahead such as adjusting to the higher interest rate environment, but we remain confident that Southern New Hampshire will continue to thrive economically. Primary Bank will remain steadfast in our commitment to maintaining our existing relationships as well as building new ones.

Over the past 7 plus years our mission has not changed; Primary Bank strives to be New Hampshire's trusted financial partner and to be there for you today, tomorrow, and when you need us most.

Sincerely,



William Greiner
Founder & Chairman



PRESIDENT'S MESSAGE

I am pleased to present the results of fiscal 2022. Contained in this report is Primary Bank's 2022 financial performance along with highlights from the past year.

For the year ended December 31, 2022, we reported an annual profit of \$10.6 million, a return on average equity of 15.21% and a return on average assets of 1.55%. These results compare to 2021 fiscal year results of an annual profit of \$8.3 million, 13.39% return on average equity and 1.20% return on average assets.

We ended fiscal 2022 with \$654 million in total assets, a \$17 million (2.5%) reduction over the previous fiscal year as we experienced a decline in deposits of \$39 million (6%). Our gross loan portfolio grew by \$72 Million (14%), ending at \$576 Million as we continued to support the ongoing financing needs of local businesses. We reported a strong equity position at year end with an equity position over \$76 Million, a \$12 million increase over the previous fiscal year end.

Community banks as well as most banks in the country saw a decline in deposits as we experienced the market rate increases that started last spring and the flow of funds out of banks. Our business development and our retail teams continue their efforts in growing our customer base throughout our markets served with the goal of increasing deposits to allow us to continue our mission of serving the financial needs of our communities.

The increase in the overall rate environment along with the tightening of liquidity in the banking industry are factors that we face as we move forward. We are optimistic that the NH economy will remain positive and vibrant going forward. Primary Bank continues with our entrepreneurial spirit which is what makes us unique and special. Our approach to problem solving has been demonstrated consistently by finding a way to get to 'yes' for our clients. The recent times have tested our resilience and commitment, yet we've proved ourselves to be the bank that businesses can count on when they needed us most. We will continue to carry out our mission to remain local, making decisions and keeping deposits local, for the benefit of New Hampshire businesses.

We have continued to be a strong performer in the US Small Business Administration (SBA) in both the SBA 7(a) and 504 Lender programs.

As mentioned in last year's report, we have opened our 4th branch office at 327 Amherst St., Nashua, NH and have great expectations in that market.

We remain committed to the markets we serve and expect continued success will be driven by our team, our Board, our shareholders and the NH business community. We look forward to building relationships and supporting our business community.

Sincerely,



William Stone
President & Chief Executive Officer



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.

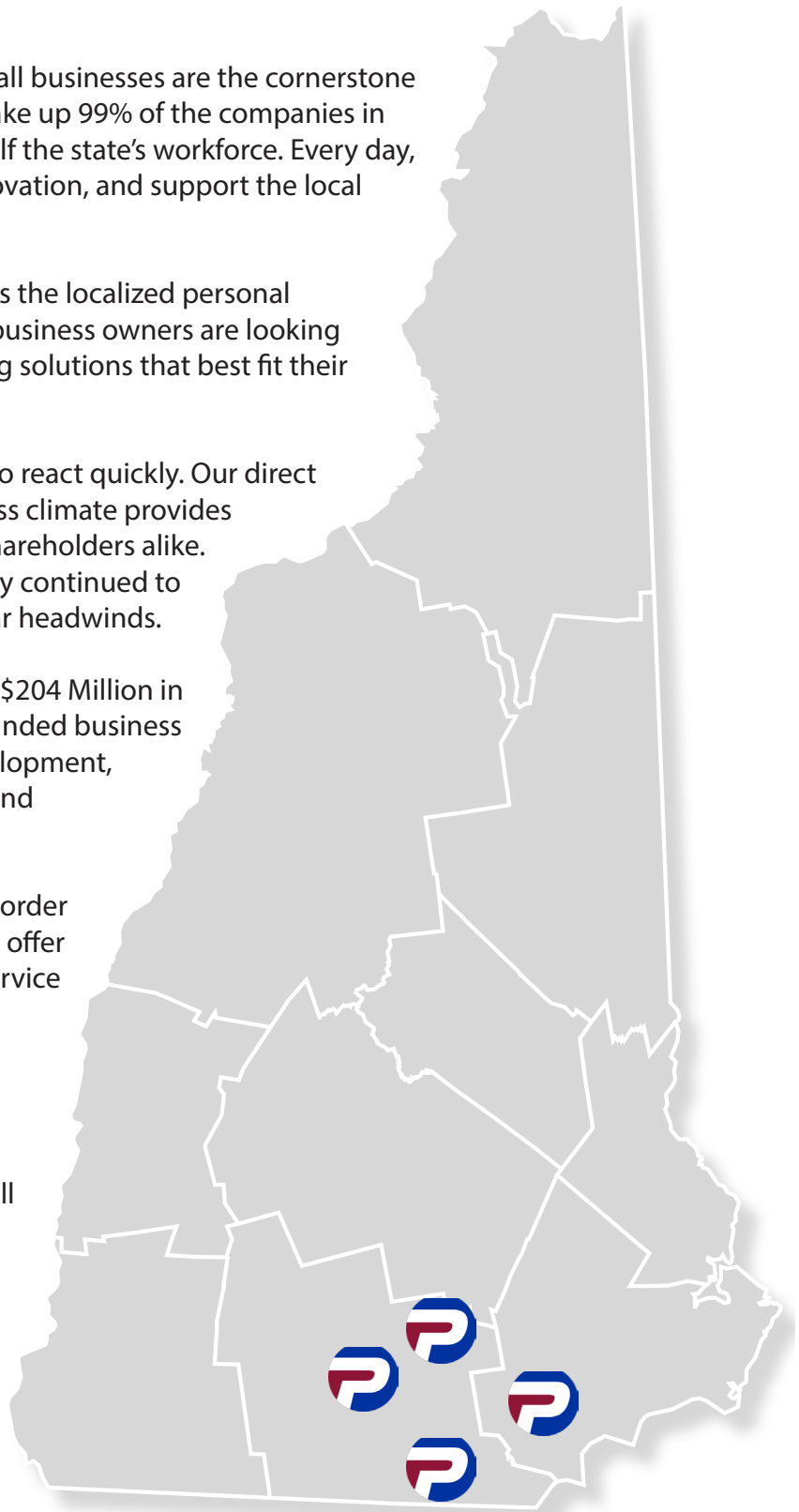
Our local decision-making enables us to react quickly. Our direct knowledge of the Granite State business climate provides valuable expertise to customers and shareholders alike. Armed with a nimble approach, Primary continued to support lending needs despite late year headwinds.

During 2022, Primary Bank committed \$204 Million in small business lending. These efforts funded business acquisition, residential real estate development, medical facilities, business expansion and operations.

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



Youth Sports Night

Primary Bank was pleased to partner with the New Hampshire Fisher Cats to support non-profit athletic associations and clubs in our communities. The importance of working together to highlight these youth is paramount. Every time we can interact with young people in positive activities like this, it is a true home run for everyone!

With that in mind, Primary Bank sought to celebrate youth athletics by hosting Youth Sports Night. This event saw young athletes from across New Hampshire competing for a chance to win \$1,000 for their non-profit organization.

Kids from baseball, football, soccer, and basketball teams competed in separate between-inning contests on the field at Delta Dental Stadium. These contests required tremendous skill, and a little bit of luck, and included football target throw, baseball target throw, basketball pop-a-shot, and a soccer obstacle course with goal. The field narrowed down to the semifinal round which featured head-to-head competition, with the winners of each semifinal round advancing to a final match-up.



Congratulations to the many New Hampshire athletes who have made an incredible impact on their communities.

Winners pictured from top to bottom: Baseball Winners - Londonderry Athletic Field Association, Basketball Winners - Bedford Basketball Association, Football Winners - NH Dynasty Flag Football, Soccer Winners - Candia Youth Athletic Association.



GIVING BACK

On Us Events

Partnering and reinvesting in the community, Primary Bank hosts “on us” events aimed at engaging and boosting local businesses. Stopping at local shops and food carts, the Bank gave out free coffee, ice cream and even hot dogs. As things started to safely open up around the country, we were able to socialize and build new relationships with guests visiting these coffee shops and ice cream stands. It is great to be back out there, connecting with one another.



COMMUNITY INVOLVEMENT

The Primary Bank team was glad to support so many great charities, build relationships at networking events, and bring attention to note-worthy causes.

During Halloween, Primary Bank teamed up with Miss NH Outstanding Teen 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.



Early in November we shared our truly local spirit during ‘Shop Small Saturday’ with a social media promotion to highlight our small business, retail, and restaurant clients.



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

For the months of November and December, Primary Bank employees participated in the Salvation Army’s Red Kettle Campaign, in partnership with the Rotary Club of Bedford. Donations help provide shelter and meals for the homeless and hungry, Christmas toys for children, and numerous other important services.



COMMUNITY INVOLVEMENT



December also saw Primary Bank partnered with WMUR-TV to support The New Hampshire Food Bank and share the 'Spirit of Giving' during the holiday season.

As the only food bank in the state, The New Hampshire Food Bank distributes nutritious food to more than 400 partner agencies who, in turn, distribute to food pantries, homeless shelters, soup kitchens, children's programs, and senior centers across New Hampshire.



With the generous support of our customers and our team, Primary Bank branches delivered more than 840 lbs. of food to the Food Bank. The Primary Bank / WMUR Spirit of Giving Food Drive raised 1.6 million pounds of food, providing more than 2 million meals.

Primary Bank supported many community initiatives with sponsorships and volunteerism during 2022, among them:

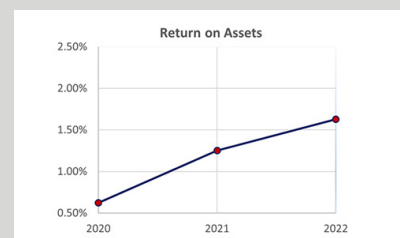
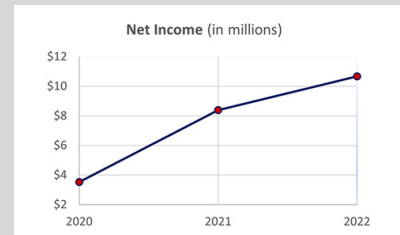
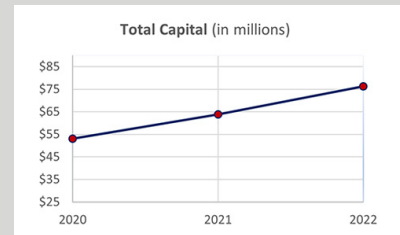
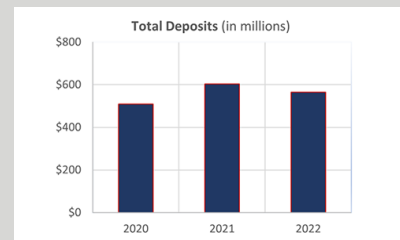
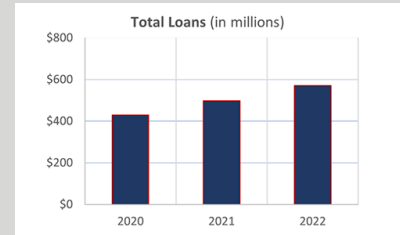
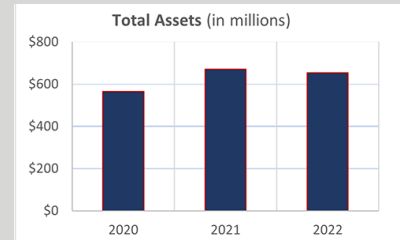


FINANCIAL HIGHLIGHTS

Primary Bank

Summary Balance Sheets (In Thousands)

	Assets	2022	2021
Total cash and cash equivalents		\$ 65,081	\$ 153,922
Investment securities		9,810	10,737
Net loans		570,168	497,933
Operating lease right-of-use assets		1,714	1,997
Other assets		7,419	6,189
Total assets		\$ 654,192	\$ 670,778
	Liabilities and Capital		
Deposits		\$ 564,578	\$ 603,812
Borrowings		10,000	
Operating lease liabilities		1,749	2,018
Other liabilities		1,559	1,102
Total liabilities		\$ 577,886	\$ 606,932
Retained earnings		21,206	10,546
Common stock and additional paid-in-capital		55,100	53,300
Total capital		76,306	63,846
Total liabilities and capital		\$ 654,192	\$ 670,778



Primary Bank

Summary Statement of Operations (In Thousands)

	2022	2021
Interest and dividend income	\$ 27,835	\$ 24,512
Interest expense	2,504	2,887
Net interest income	25,331	21,625
Provision for loan losses	1,401	1,873
Net interest income after provision for loan losses	23,930	19,752
Other income	618	541
Operating expense	9,914	8,788
Income before income taxes	14,634	11,505
Income tax provision	3,974	3,116
Net income	\$ 10,660	\$ 8,389

"I know what better banking is and I found it at Primary Bank."

~Steve Freeman, Owner
Angela's Pasta & Cheese Shop

SERVING NEW HAMPSHIRE WITH 4 LOCATIONS

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

PrimaryBankNH.com

