

Corporator Connection



After the Storm, Katie Webster - Photographer



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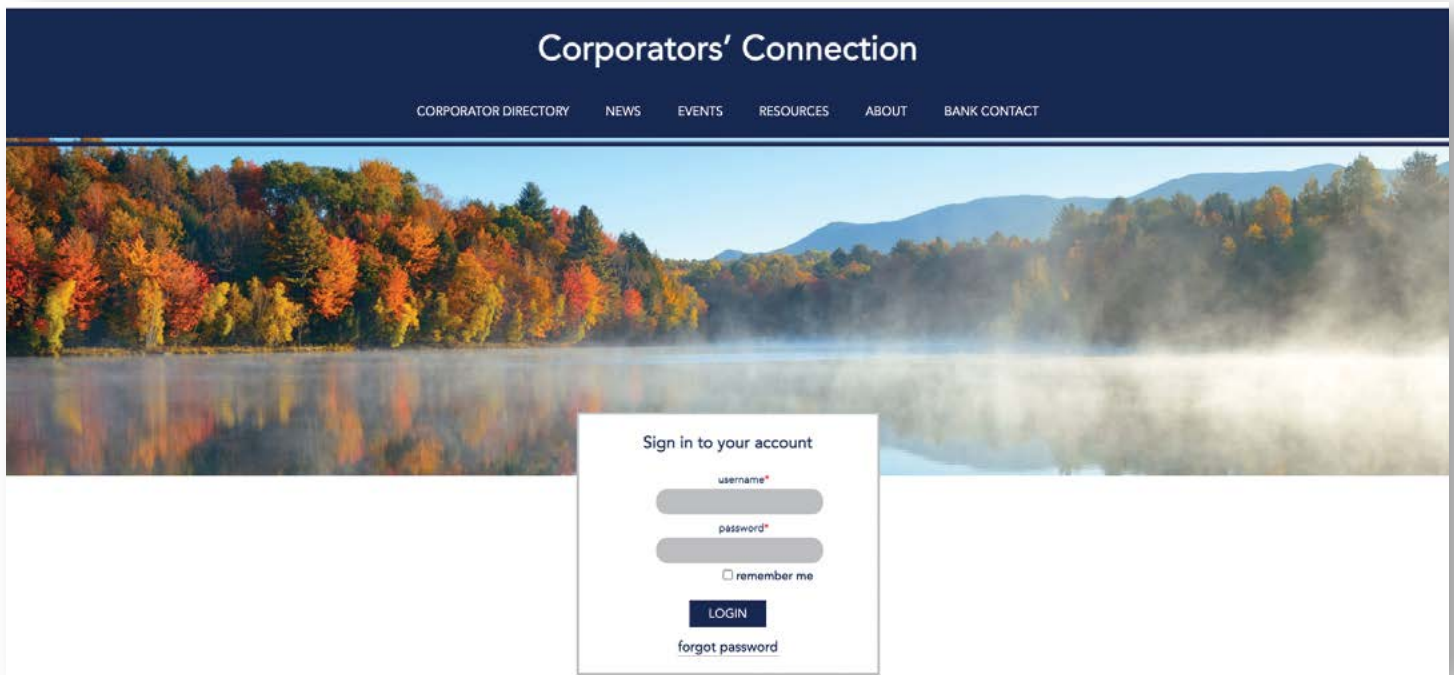
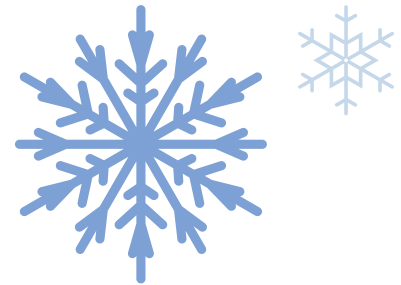
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Save the Date: Annual Meeting – March 31

Please save the date for our Annual Meeting, which is scheduled for Thursday, March 31 at 4:00 p.m. at the Grappone Conference Center – 70 Constitution Avenue in Concord.



Visit the Corporator Portal for the Latest Updates and Financials

Just a reminder, if you haven't yet had the opportunity, we hope you will visit the online Corporators' Connection Portal for the latest employee and community news, quarterly financials, newsletters and other updates.

On the portal, you can also update your contact information or provide us with feedback or suggestions. We look forward to staying connected with you through this online channel and providing you with additional knowledge about NHMB and its affiliates.



Moe Lafreniere, Chairman of the Board

Our Board has been busy last fall and this winter working with management on developing our updated strategic plans and a roadmap for NHMB and affiliates. I'm excited to have this roadmap to guide us over the next few years as we navigate critical issues such as product offerings, branch expansion, the advancement of our Diversity, Equity and Inclusiveness Plan, and our commitment to sustainability. There is a brief outline of the 8 strategic goals further down this newsletter and you can see the expanded version on the Corporators' Connection Portal. As our company matures into a leading financial institution in our state, we must be responsible enough and bold enough to tackle social issues that are important to our employees, our customers and clients, and the communities we serve. I believe we are on the right path.

I would like to extend a sincere thank you to Mike Green for his years of service and commitment to the Merrimack and to NHMB. Mike has been a Board member for the Merrimack since 2000 and was part of the founding Board of Trustees of NHMB since its inception in 2013. His contributions stemmed from his engagement in our company and his preparedness in every meeting he attended. He always had a question for management. In fact, he usually asked THE question. His understanding of our business and business model allowed him to push our company to greater heights.

Also, deepest appreciation and gratitude to Susan Howard for her years of service and commitment to Savings Bank of Walpole. Although Susan has only been a Board member since late-2018, she has made a real difference and added to every conversation. Susan's passion for the Keene area has made sure that serving Walpole is always top of mind. She is a committed advocate of the Corporator experience and will continue to make a difference in her role as Corporator. She also has served on the Board of NHTrust this past year.

We are grateful for everything Mike and Susan provided to support our affiliate organizations and NHMB during their tenure with us. We look forward to their ongoing contributions and continued collaboration as Corporators.

I am very excited about the eleven Corporator nominees that will be brought forward at our Annual Meeting. Their backgrounds and experience are impressive and, if approved, will add greatly to our already strong Corporator base.

We thank you all for your continued involvement with NHMB and affiliates. I hope you continue to find this newsletter helpful and that you are using the online portal created for you as a communications tool and resource. And as always, I welcome your feedback and ideas to support your continued engagement.

I look forward to meeting with everyone on March 31st for our Annual Meeting at 4pm at the Grappone Conference Center located at 70 Constitution Avenue in Concord.



The Merrimack – Jeff Zellers

Jeffrey J. Zellers, Esq., is one of the principals of the Concord law firm, Annis & Zellers, PLLC, which provides legal services in the fields of Estate Planning, Trust and Estate Administration, Business and Tax law. For over 35 years, Jeff has been a trusted adviser to both his personal and business clients. He has guided individuals and families through the estate planning process, including the drafting of wills, trusts, healthcare documents and sophisticated estate tax savings vehicles and the purchase and sale of businesses in a tax-advantageous manner. He has negotiated and drafted leases, employment contracts and buy/sell agreements between business owners and advised families on business-succession planning. He has handled real estate matters, from the transfer of residential and commercial property to sophisticated commercial financing, and he has advised entrepreneurs on the choice of their business entity and formed numerous limited liability companies and corporations.

Jeff has worked extensively with one of the nation's largest consumer cooperatives and directed one of the first conversions of an association to a cooperative under New Hampshire law. He has advised clients on tax planning and represented them successfully in the resolution of disputes with the IRS. He has formed and served as counsel to a number of nonprofit and charitable organizations and foundations.

Jeff has long recognized and appreciated the quality of the people affiliated with Merrimack County Savings Bank. He welcomed the opportunity to become a Corporator of the Merrimack, which he believes is a top-notch service-oriented business, successful in staying true to its mission.

A New Hampshire native, Jeff has enjoyed supporting numerous New Hampshire-based charitable organizations, including acting as Chair of the Board of Directors of the Woodside School of Concord, the Regional Visiting Nurses Association, Inc., Concord Hospital, Inc., and Capital Region Health Care, Inc. He currently serves on the Planning Committee and the Quality Assurance and Patient Safety Committees of Concord Hospital. Jeff obtained his law degree and Master's in tax law from the Boston University School of Law.

Jeff is the proud father of two sons and the grandfather of three adorable grandsons.



Savings Bank of Walpole – Donald J. Tisdale

Retired, former President and CEO of Savings Bank of Walpole from 1984 to 2007, Don Tisdale was instrumental in maintaining and reinforcing the bank's mutuality. What's more, having also served as a Corporator of Savings Bank of Walpole for nearly 50 years, Don has enjoyed the unique experience of being able to see the groundwork he helped lay stand strong despite changes in the banking industry including the decline in the number of mutual institutions.

"As I reflect over my nearly fifty years of serving as a Corporator of Savings Bank of Walpole and now New Hampshire Mutual Bancorp, it is deeply gratifying to see where we are today," says Don. "Our Corporators represent the very fabric of the communities we serve. Our commitment to mutuality and service will ensure we are able to support our participating banks that have thrived for generations and will for generations to come."

Don moved to Keene at the age of twelve when his father, a banker at Manufacturers Hanover Trust in Manhattan, packed up the family and left the big city for the country to take a job at what was then Keene National Bank.

Although Don was exposed to the world of banking and finance from a young age, he wasn't set on pursuing a career in the field. "I did not pursue my education with the specific intent to enter banking although I was somewhat familiar with some aspects of the business as it was my father's entire career."

It wasn't until after graduating from UNH and earning a BS Degree in Business Administration from what was then called the Whittemore School of Business, that Don began his career in banking when he was offered a position at Strafford Savings Bank in Dover, NH (a mutual savings bank at the time). He worked as a loan officer in the Dover area for several years until Savings Bank of Walpole offered him a position as a loan officer in 1973. The following year Don was elected as a Corporator.

After his retirement in 2007, Don says the Bank continued to examine what alternatives it had to maintain its mutuality while also meeting the challenges of the future. "Under Gregg Tewksbury's leadership we sought solutions and when the opportunity to become affiliated New Hampshire Mutual Bancorp arose, I could have not been more pleased having known the senior executives at Merrimack and Meredith throughout my career."

Don and his wife Sheila have lived in Walpole since 1973 and consider it their hometown. And while he says his active involvement in non-profit and civic organizations "is ancient history at this point," he's currently involved in a group that has acquired Hooper Golf Course and says efforts to give the historic course and the facilities a facelift are going well. "We are enjoying remarkable success in our efforts to revitalize and expand this wonderful recreational resource both for golfers -- but also for the community!"



David Cronin, Executive Vice President, Chief Human Resources Officer

Recruiting & Retaining Talent

Our organization continues to move forward in spite of the ups and downs of this pandemic. Two years ago, it would have been hard to believe that we would still be making adjustments to ensure the safety of our employees and customers. One of our biggest challenges in Human Resources (HR), especially with the onset of COVID-19, is continuing to support our affiliates with qualified staff during a period of considerably low unemployment in NH as well as a time being referred to as the 'Great Resignation' across the country. While we have certainly experienced some employees choosing another employer during this disruptive labor market, much of our ongoing workforce needs stem from retirements

across a mature workforce, as well as due to continued company growth, success and the associated workforce needs.

In the spirit of Corporator engagement and interaction, we ask you to support our mission of providing top talent to NHMB and affiliates by referring qualified candidates you may know of to help us continue to fill our job opportunities. All current career openings can be found on our company websites under the Careers drop down menus.

In an era with so many job postings nationwide, the strength of our organization is proven in the number of employees celebrating significant milestones with us. Below are some to highlight:

Celebrating 35 Years: Jill White, MVSBB RVP & Branch and Business Development Manager in Ashland and **Cindy Oxtan**, RVP & Branch and Business Development Manager in Center Harbor.

Celebrating 30 Years: Diane Gallion, SBW Senior Universal Banker

Celebrating 25 Years: Michael Hardiman, The Merrimack Teller Supervisor; **Donna Jones**, The Merrimack Mortgage Compliance QC Specialist; **Tom Dustin**, The Merrimack VP, Commercial Lending; and **Tom Cimikoski**, NHMB Facilities Manager

Celebrating 20 Years: Deborah Cannon, SBW Universal Banker; **Amy Lehr**, SBW SVP, Credit & Administration; **Tonya Waters**, SBW Senior Universal Banker; **Paul Provost**, NHTC President; **Randy Guay**, The Merrimack VP, Commercial Lending; **Melissa Reid**, MVSBB VP, Retail Sales & Branch Services; **Kathleen Dustin**, NHMB Loan Operations Representative 3; **Hope Brooks**, NHMB Deposit Operations Representative; **Christine Scheiner**, NHMB VP Executive Admin & Corporate Secretary; **Wanda Beaudoin**, NHMB Digital Banking Operations Supervisor; **Joanne Pearce**, NHMB SVP Chief Digital Officer; **Heather Ferland**, NHMB Financial Accountant; **Amy Nyecki**, NHMB Financial Accountant; and **Art Letendre**, NHMB SVP, Consumer Loan Officer.

Congratulations to all of these employees for reaching their 20, 25, 30 and 35 year milestones this year!
We are proud and honored they have dedicated their careers with us.

Successful recruiting continues and the legacy we have with current employees resonates with those efforts in securing top talent. While vacancy fill times have certainly become longer this past year, we have been fortunate in hiring very qualified people for our open positions. A few to mention include, but are not limited to; **Ben Wheeler**, SVP Commercial Lending for Savings Bank of Walpole; **Cheryl Giannasca**, SVP Human Resources Officer, NHMB; **Chris Mamone**, VP Residential Sales for the Merrimack; **Dave Peterson**, SVP Commercial Lending – Team Leader for the Merrimack; **Jolene Whitehead**, Branch & Business Development Manager for MVSBB; and, **Deanna Wilson**, SVP Senior Trust Officer for NHTrust.



**Gregg Tewksbury, President & CEO -
New Hampshire Mutual Bancorp**

Internal Overview

As we turned the calendar to a new year, I was not thinking we would still be working through the challenges of the COVID pandemic. But sadly we are. And we're tasked with being an essential business that over 100,000 customers count on each day for their banking and financial advisory needs. Our employees have done an amazing job putting other's interests ahead of their own and being present at a time of need. This not only extends to the welfare of our customers and clients, but also to the support employees have extended to each other across departments and affiliates. I'm exceptionally proud of them.

We had another great year by every financial performance measure. Jason Hicks provides the details in his letter herein, but I want to publicly say thank you to our employees for this success. We strengthened our company a great deal during 2021 and positioned it for future growth in the years ahead to ensure we're looking after the economic well-being of the customers and communities we serve. The future is bright.

**NEW HAMPSHIRE
MUTUAL BANCORP**

In addition to the important strategic initiatives and the roadmap Moe mentioned in his commentary, we're tackling critical items such as advancing our digital transformation of our product and service offerings as well as working to advance and improve our internal processes to be more efficient. We're developing a comprehensive payments strategy that addresses tokenization, crypto currencies, and the use of blockchain technology. We'll have a digital small business lending solution that will provide for online loan applications and next day funding available in the first quarter of 2022. We have multiple branches in the process of being built or in the planning stages for final approval. We're attracting top tier talent throughout our company. And our credit quality remains pristine. My sentiment again, the future is bright.

And with this bright forecast ahead, we're also keenly aware of the headwinds we face. The pandemic is not over and will likely become an endemic we'll face for years to come. There is real inflation in our economy that we haven't had to deal with in quite some time. Talent comes at a higher price today and with a tight labor market, makes this another challenge we will face for some time ahead. And our non-bank competitors have become a real threat to the traditional banking model. Fortunately, our eyes are wide open and our plan to combat these challenges will allow us to persevere.



NHTrust

FINANCIAL ADVISORS

Paul Provost, President - NHTrust

2021 was a transitional year for NHTrust. During the year we benefited from the arrival of impressive new employees, the completion of an important strategic planning effort and the preparation for a significant new business that will take NHTrust to the next level of financial success and contribution to New Hampshire Mutual Bancorp (NHMB).

We added depth and experience to our team in 2021 with the addition of Deanna Wilson, Senior Wealth Advisor, Toni Ciampaglione, Financial Advisor, Joe Dudek, Financial Advisor and Kelly Brown, Manager of Trust Administration. Deanna brings with her years of experience from Charter Trust and Ledyard National Bank. Both Toni and Joe are well known and well respected Advisors. A NH native, Kelly is also NHTrust's first fully remote employee as she works very effectively and full-time from her home in New Jersey.

The NHTrust strategic plan focused primarily on enhancing our client's experience and on increasing NHTrust contributions to NHMB. The tangible outcome of the focus on the client experience is a plan to change our core trust technology system. We are currently in final negotiations with two wealth management technology industry leaders and the management team is very confident we will realize a

generational improvement in the client and employee experience from this transition.

NHTrust's financial contribution to NHMB is budgeted to double, as measured by net income, from 2021 to 2022. This impressive achievement is built off of the foundation of growth, supported by NHMB, over the past several years. An important specific contribution is NHTrust's selection to become the successor trustee for a large number of Irrevocable Trust pools of Scholarship assets previously managed by Bank of America. NHTrust was specifically chosen to take over this business due to our increased size and strength and the impressive team we have built.

For the year, NHTrust realized 110% of budgeted revenue and 98% of budgeted net income.



Rick Wyman, President - Meredith Village Savings Bank

In the immortal words of the talented Duke Ellington "A problem is a chance for you to do your best." In 2021, the challenges MVSB encountered were the same as those facing most businesses, organizations and households in our communities and elsewhere: an evolving pandemic; an increase in political and social disagreement; and the great resignation coupled with all of the social and economic issues that grew from these challenges. In spite of all this, the staff at MVSB dedicated their energy and solved problems creatively with truly inspiring results.

When we weren't able to drop in to visit business customers and prospects like we had in the past, our business lenders and business development staff developed resourceful ways to stay connected and maintain relationships with customers as well as earn new business. In fact, we added commercial customers in 2021 at the same, if not faster, rate as we had in previous years.

As new, more problematic virus variants appeared, many of our staff and their families were impacted, but our branch teams continued to meet the everyday needs of customers. Thanks to the efforts of management to ensure staff continued to feel safe, valued, and appreciated - the great resignation was not

an issue for us. Our turnover rates remained stable, which was undoubtedly a major factor in our continued growth and positive customer impressions.



Our management teams continued to make professional development a priority, and thanks to the creativity of our many long-term development and education partners, we were able to provide training and growth opportunities at all levels and are planning for more personalized training in the coming year. Many staff were promoted to new and exciting roles, allowing their careers to grow and flourish; a visible measure of the dedication to encourage professional growth within our Bank.

As the world around us changed, we worked as a team to stay relevant. We rolled out several new convenience banking services this past year, including all new online personal deposit account opening and "GOALS," a new online savings feature that allows customers to automatically set funds aside for special events, gifts, travel or other plans. Our customers have 24/7 access to almost every product and service we provide in our branches with additional improvements slated to roll out in 2022. While we continue to be the local bank that provides exceptional service and community support, we are increasingly able to compete with even the biggest banks with ease of use through our online services.

Most of the wonderful nonprofits that serve our communities also faced the struggles of 2021. We supported hundreds of them with our expertise and the loans, products and services they needed to continue their good work. Our staff continued to volunteer, and we supported their efforts financially with grants, donations and sponsorships, which was especially appreciated during a year when many traditional fundraising events had to be canceled or postponed. I was also especially thrilled to reach out to several organizations with great need to provide unexpected donations at the end of the year, which I hope will ease the burden over the coming months.

In 2021 we had near record growth in loans and deposits, an increase in new customers, substantive return on our assets, solid capital strength and notable net income. While impressive in normal times, these successes were even more meaningful during a year with so many challenges and an indication of the continued reliance between our Bank and the communities we serve. As such, we're excited to be moving into two new communities in 2022, Rochester and Conway.

Construction is well underway at our Rochester location at 21 Farmington Rd (Route 11) with plans to open as soon as May 2022. This location will add additional banking and lending access for the Rochester and surrounding communities, bridge the gap between our two closest branches in Alton and Portsmouth, and provide added convenience for those that commute to and from the Seacoast. A Conway location has been secured and plans are in place to begin construction and open in the later part of the year. We encourage you to monitor our website and social media pages for construction progress updates.

We are in the process of surveying existing customers with plans to also connect with prospects and other community influences.

I'm pleased to note that results so far show that customers are still very happy to bank with MVSb, with the service offered by branch staff, our online banking team and our online banking tools all being significant factors. We will continue to monitor the pulse in our communities by listening keenly to these results in order to maximize our branding as we expand into new footprints.

It will be another busy year for us in 2022 and I know our teams will once again rise to new challenges with positivity and loyalty. In addition to new locations, we look forward to launching several new services, including Zelle®, online business lending and contactless debit cards, as well as greatly streamlining our online lending services with enhanced solutions for home mortgages.

We appreciate your continued excitement and involvement.



Rochester Branch: Photo from early January 2022



Mark Bodin, President - Savings Bank of Walpole

Good riddance to 2021! Yet what had to be considered a miserable year for our society was actually a good year inside our bank. In fact, 2021 was a record setting year for Savings Bank of Walpole on many fronts.

Most importantly, our employees remained healthy. It is thanks to our strong employees and continued 90% plus retention rate we were able to achieve all we did. By the numbers, SBW's earnings were right at the \$2 million level which was slightly above budget. Assets ended the year at \$669 million representing the second consecutive year of growth above \$100 million. SBW has grown from \$447 million at year-end 2019 to \$555 million at year-end 2020 to \$669 million reflecting 50% growth over the past 24 months. Our LOCAL brand and commitment to our community is resonating and we hear it from new deposit and mortgage customers all the time.



We benefited from the refinancing boom and the \$92 million of mortgage loans closed were well above our previous high of \$57 million. While refinancing's were down 25% industry wide, SBW's refinancing activity was up 20%. We also closed another \$16 million of Paycheck Protection Program loans for a two-year total of \$55 million and we successfully led our customers through the forgiveness

process. I am very proud of our role in helping our local businesses, organizations and families weather these difficult times. On the deposit side, SBW added 1,600 new customers in a no growth market. New customer and new account growth far exceeded previous levels. Once again, our brand and message are resonating.

In terms of what's new – SBW opened its sixth Cheshire County branch in Winchester in October. We are off to a good start as deposit levels were well above projections and the bank is being received with open arms. Adding Ben Wheeler to our strong commercial lending program has clearly given SBW our region's top commercial team. We also added many new digital products for customers and our digital offerings match or exceed any bank in our market. Customers have noticed.

Of course, we are proud of our involvement in our community. "SBW is everywhere" is what I hear throughout our community. I am proud that 40% of local employees volunteer on a local board or committee filling 80+ local positions. I guess we are everywhere (almost).

Finally, we have a very strong group of new Director and Corporator candidates up for election in March. These positions play a critical governance and advisement role for our bank and community, and we are so thankful for all of your support.



New Winchester Branch Ribbon Cutting – October 2021



Linda Lorden, President - Merrimack County Savings Bank

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. I was inspired 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 multiple events being cancelled, postponed, or re-configured to accommodate the new norm, we became more determined than ever to support our community with \$418,130 in donation and sponsorship support, plus 4,300 total employee volunteer hours. Nonprofit contributions included \$50,000 to the Concord Coalition to End Homelessness for their Safe Spaces campaign, which supports housing for people exiting homelessness. Additionally, \$7,500 was donated to Harbor Homes in Nashua to help fund 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.



MERRIMACK
COUNTY SAVINGS BANK

We purchased \$149,000 in CDFA tax credits from the Friends Program and Kimball Jenkins in Concord, Family Promise of Southern NH in Nashua and Mill City Park in Franklin. Our Foundation also gave away \$49,567 to 23 nonprofits that enrich and improve the quality of life for residents living in our local communities, and our teams at the Friendly Kitchen came back in 2021 to plan, shop and prepare for meals on-site.

The Merrimack's 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.

We also completed and finalized our 2022-2024 strategic plan, which was a collaborative effort between Senior Management at the Merrimack and NHMB, our Board of Directors and NHTrust. We are eager to begin working on our strategic goals and I look forward to sharing updates with you throughout the year.

Finally, I would like to express my gratitude for our incredible employees, who have worked together in delivering exceptional customer service with Merrimack style. I continue to be inspired by their tenacity, strength and compassion and look forward to what we will build together in 2022.

I hope you are able to get out and enjoy the season! Since Punxsutawney Phil saw his shadow, we can expect winter to be around for six more weeks.



MVSB

MVSB is excited to sponsor the 2021-2022 School Days Series by The Music Hall in Portsmouth

Merrimack and NHTrust

Teaming up for the Concord Hospital's annual Rock N Race sponsored by the Merrimack are Linda Lorden President, the Merrimack and Kim Place, VP, Financial Advisor, NHTrust



Savings Bank of Walpole

Savings Bank of Walpole employees volunteer annually to help the Monadnock Humane Society spruce up their facility



Jason Hicks, Executive Vice President, Chief Financial and Risk Officer

NHMB ended 2021 in excellent shape thanks to a tremendous year in lending with total loan growth of \$245M or 10.8%.

Residential lending grew \$208M or 21% with gross originations of \$417M as we continued to strategically hold mortgages on our balance sheet in order to utilize excess liquidity and increase earnings for the longer term instead of selling these loans and taking one-time gains in the current year.

Commercial real estate lending grew modestly at \$30M or 4.8% despite sizable gross originations of \$140M. The industry continues to see commercial real estate developers selling their properties at very high prices resulting in prepayments on their bank loans. Further, we see many of these sellers parking their cash in their deposit accounts waiting for asset prices to revert

to more reasonable levels before they reinvest. This exacerbated our high liquidity position.

Commercial and Industrial loans contracted this year as expected by \$104M or 33.1% due to the continued forgiveness of Payroll Protection Program (PPP) loans. The demand for new loans in this area was limited with \$28M in gross originations excluding PPP loans, again, due to the high levels of liquidity on commercial customer balance sheets and a labor shortage which is hampering growth.

Our niche in indirect boat lending continues to be a bright spot for our companies. The Consumer lending team had another record year generating over \$189M in new loans with net portfolio growth of \$129M or 58.8%. This portfolio provides us with another way to diversify and manage our banks' balance sheets. Most of these borrowers have tremendous earnings and credit scores. The loans provide relatively short weighted average lives of 5.7 years with some of the best interest rates of any of our loan portfolios with a weighted average rate in 2021 of 4.98%.

The credit quality of our loan portfolios continues to remain strong with very low levels of delinquencies. This is consistent with the banking industry. Thankfully we have only experienced one significant loan loss of \$1.5M as it related to a construction loan for a senior living facility in Keene. In 2020 we bolstered our allowance for future potential loans losses above historical levels due to the uncertainty around the economic effects from the pandemic. After almost two years since the pandemic started, we are in a relatively better position at the end of 2021 (e.g., no government mandated shutdowns) and expect that we will be able to reduce our allowance for loan losses as a percentage of total loans as we move through 2022.

Total deposits grew \$325M or 13.7% which is amazing compared to our normal growth rate between 3 and 5%. In addition, our repurchase agreement accounts grew \$33M or 45.6%. The combined total growth is \$358M which means we basically grew another bank in 2021. This adds to the comparable growth of \$522M in 2020 for a total growth of \$880M in deposits over the last two years which is hard to fathom. Thankfully we have been able to put a majority of these funds to work in loans (as noted above) and \$42M into investment securities in 2021.

Our loan growth, and to a lesser extent, investment securities have propelled net interest income for the year to \$97.8M which is \$11.3M higher than 2020. \$4.6M of this increase was related to the interest and fees we earned from the PPP loans for commercial customers effected by the pandemic.

The stock market performance has remained strong, which boded well for our wealth management business which beat its revenue target by \$700K or 10.5% and achieved a record level of revenue of \$7.3M. Clearly the acquisition of the New Hampshire Trust Company has contributed to this growth, but we've also grown organically. Our wealth advisors continue to grow our client base despite the challenges of the pandemic.

Our lenders, retail staff and wealth advisors made 2021 a record year for the combined organization realizing net income of \$21.1M. In order to support these higher lending and deposit levels and continued investments in people and technology, operating expenses increased to higher levels than the budget by \$4.3M in 2021. We have continued to implement new software and services to benefit our customers by making it easier to do business with our companies. We have bolstered our technology infrastructure to ensure we have robust information security and business continuity capabilities. We are also focused on making our internal processes more efficient by eliminating paper and redundant workflows.

All of these factors mentioned above are positive and provide us with a strong starting position for 2022. We plan to leverage our investments in people and technology systems over the last three years to accomplish a somewhat ambitious budget for 2022. We expect to hire additional residential and commercial lenders and support staff to provide continued loan growth. As government stimulus wanes and the economy starts to stabilize in late 2022, deposits are expected to grow at a more typical level between 4 and 5%. Some of this deposit growth will be provided by expanding our branch network with two new MVSBS branches (N. Conway and Rochester) and increasing new SBW relationships in our Winchester, NH branch. NHTrust is expected to capitalize on its recent investments in staff and process efficiencies to continue growing its business to new records.

Achieving these plans should produce solid repeatable earnings for NHMB. We expect elevated mortgage rates to slow refinance activity. However, we plan to put more focus on sustainable mortgage revenue by hiring new lenders and focusing on home purchase activity. Further, our Consumer lending area is expected to grow its volume by adding additional boat dealers and market areas. Overall, our banks are well positioned to take advantage of continued consolidation in the banking industry as we consistently provide excellent services and support to our customers and communities across our state. Our companies are well respected as leaders in our communities. We look forward to what we will achieve by leveraging these attributes in the new year to create more value for our customers and communities.

Strategic Planning Process

As described in our last Corporator Connection newsletter and noted by Moe Lafreniere above, we spent some time over the past year updating our strategic plan. The result of the process was for each of our five entities to create a plan for the next three years to guide our company forward. As you would expect, the goals for each entity are the same or very similar but how each affiliate carries them out will be unique based on their own individual customer base and communities. A summary of our goals are presented below.

Strategic Goals

1. [Talent retention and development](#) – recognizing that our success is dependent on our ability to attract and retain talent at all levels of our organization, this goal will have multiple tentacles assessing workplace policies, practices, compensation plans, succession plans and a focus on professional development.
2. [Grow market share and share of wallet](#) – growth is required to be sustainable and our goal is to foster organic growth in our markets with branch expansion, talent acquisition and increasing the number of products each existing customer uses with us.
3. [Improve financial health](#) – balancing growth of infrastructure with the growth of assets and assets under management is a juggling act. This goal focuses on finding the proper pace of investment and return on investment in the years ahead.
4. [Develop and implement a comprehensive data strategy](#) – our company is rich with data and this goal focuses our company in using this asset to better position ourselves for growth and expense management. This requires a culture shift from simply gathering and protecting the data we receive from our customers to using it to advance our other goals of growth and increased wallet share.
5. [Advance our digital offerings](#) – we're on a long journey of digital transformation including products and services offered to our customers and clients as well as how we process transactions internally. Our commitment to this goal picks up on the advancements we've made over the past several years and continues to move this forward.
6. [Enhance our culture of Diversity, Equity and Inclusion \("DEI"\)](#) – we know that a diverse and inclusive workforce will strengthen our company operationally and financially while allowing us to attract and retain even a greater pool of talent. At all levels of our company, we will advance the work we've started in DEI by setting specific goals and timelines geared at a cultural change where DEI is embraced.
7. [Develop and implement a payments strategy](#) – the way our customers are using payments are changing and doing so swiftly. Our payment strategy team will advance our offerings as an early adopter of new payment methods to ensure our customers find our company relevant with respect to how value is moved from one person or company to another.
8. [Become the pre-eminent mutual holding company](#) - the success of our model ensures that we remain mutual, focus on supporting and enhancing the individual brands of our affiliates and then gain every efficiency possible to deliver value for our affiliate companies. In doing so, we'll gain sufficient scale to invest in talent and technology that will allow us to compete effectively with larger banks, wealth management companies and the rising wave of non-bank competitors. To do this requires a focused goal of identifying how we want to operate today, what a future affiliate may look like and shovel ready plans for governance, integration, and talent needs for a larger company.



MERRIMACK
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