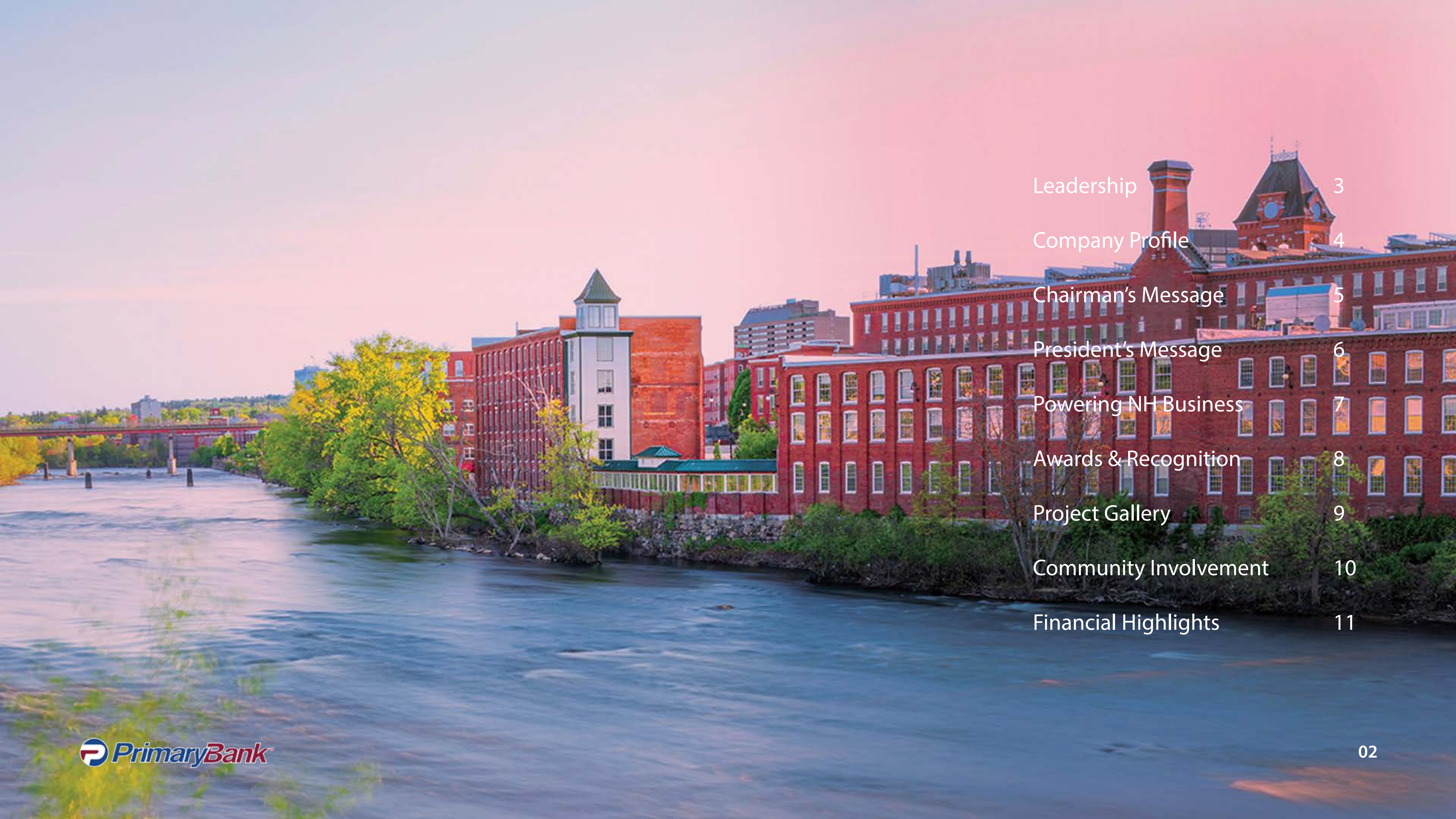


2024 ANNUAL REPORT



New Hampshire's Bank for Business



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BOARD OF DIRECTORS

William Greiner - Chairman

Philip Taub - Vice Chairman

Dick Anagnost

Pamela Diamantis

Crystal Dionne

Stephen Duprey

Mark Feraco

Jeffrey Hiatt

J. Michael Hickey

Marie McKay

Peter Milnes

Robert Prunier

Duncan Robinson

Stefany Shaheen

Kenneth Solinsky

William Tucker

Nicholas Vailas

Mike Vlacich

EXECUTIVE MANAGEMENT TEAM



Crystal A. Dionne
President & CEO



Thomas M. Conaton
EVP/Sr. Lender



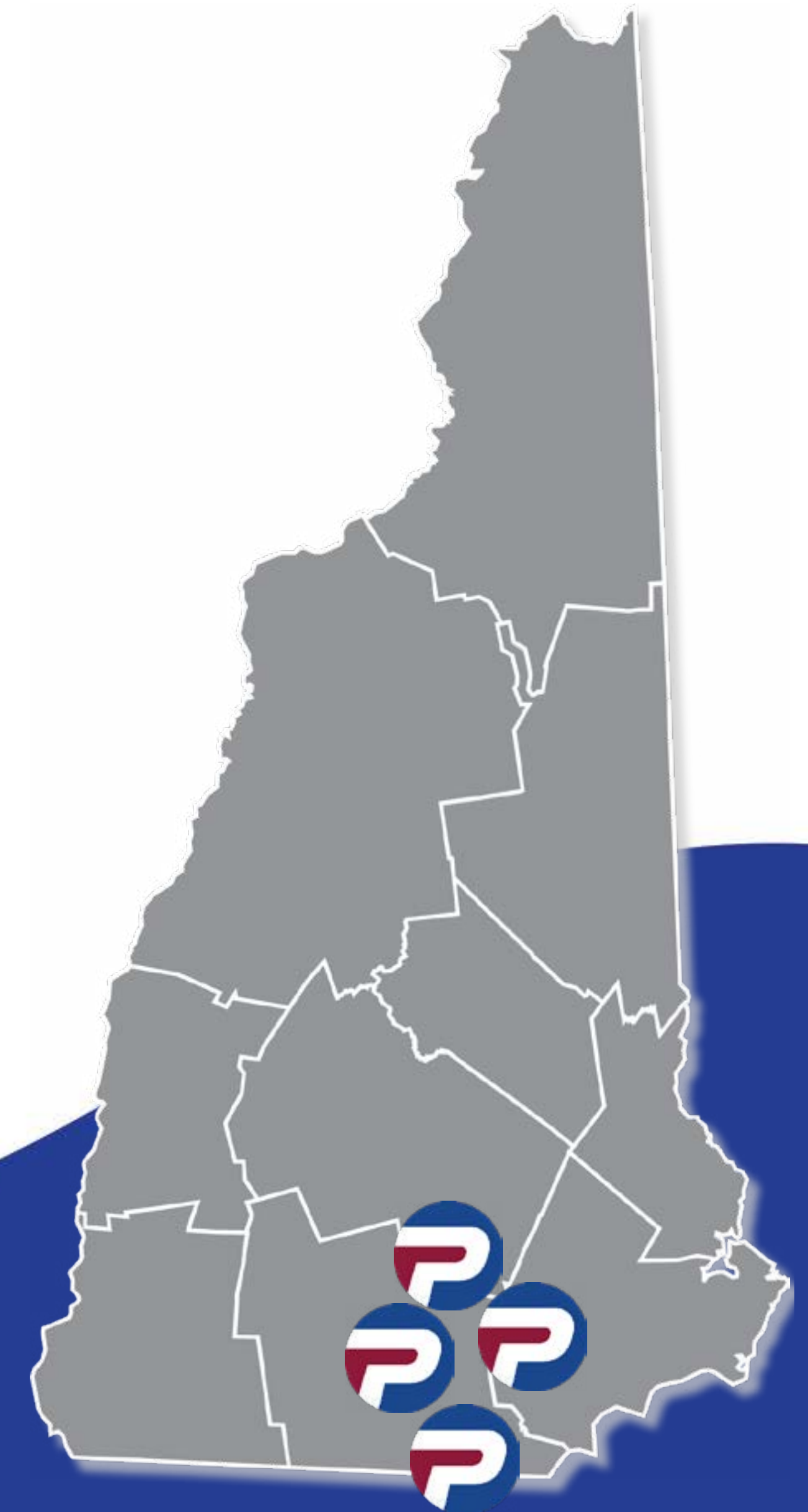
Renate M. Wallem
EVP/Operations Officer

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.



In 2024 we saw loan demand continue from small businesses, while the continuing challenge of gathering deposits was still an important focus of our team. The year ended with enthusiasm about the potential for regulatory relief as well as an uptick in bank M&A. As we have seen over the last few weeks that has been all but tempered as there is now concern about economic slowdown and increased inflation pressure as a result of tariffs. We feel that we are well positioned based on the strong financial performance of Primary Bank in 2024, with after tax earnings of over \$10,000,000, and a very healthy tier 1 capital ratio.

Last year we continued to lead the way in New Hampshire in SBA lending as well as supporting small businesses which are the economic backbone of our State. Given continued bank consolidation in New Hampshire, with two State chartered banks recently agreeing to be acquired by Maine-based banks, we see even more opportunity in front of us to continue growing our footprint and balance sheet.

A big thank you to our entire Primary Bank team, led by Crystal Dionne, Renate Wallem, and Tom Conaton, for a solid 2024 and we look forward to better things in 2025! Thanks to all of our shareholders, without whom this success would simply not be possible.

Sincerely,



William Greiner
Founder & Chairman



William Greiner
Founder & Chairman

CHAIRMAN'S MESSAGE

PRESIDENT'S MESSAGE



Crystal A. Dionne
President & CEO

Dear Shareholders:

Similar to 2023, 2024 was another year of significant challenges. The U.S. economy displayed its resilience and businesses remained strong despite a heightened interest rate environment. Primary Bank remained resilient as well, as we delivered strong results for our clients, our communities and our shareholders.

The pace of change in the banking environment is constant. The ability to pivot quickly and seamlessly to address these changes is what separates the high performing banks from the rest. At Primary, the disciplined fundamentals that we continue to hold ourselves to have proven our strength and resiliency through some of the most volatile and challenging times we have experienced in our industry. These disciplined fundamentals of managing liquidity, allocating available resources that directly support our mission and focusing on risk management, profitability and our overall financial health, guide our daily decisions.

Financial performance during 2024 was strong despite limited growth. Assets grew by 2.2% to \$709 million, however strategic balance sheet management leveraged this modest growth to increase income by 6.0% over 2023 to \$10.6 million generating \$2.25 basic earnings per share. Our return on average assets and return on average equity held steady for 2024 at 1.5% and 11.3% respectively. These returns significantly outpaced our industry peers as well as our direct NH competitors. Our strong operating results are reflected in a continuously improved capital position. Tier 1 Leverage rose to 14.1% and Tier 1 Capital – the measure most broadly used by the investment community to assess a bank's financial safety and soundness - rose to 15.4% as of the end of 2024.

Since opening our doors in 2015, our strategy has been ambitious and our mission has remained steadfast. We are committed to serving the financial needs of the small to medium sized business community in New Hampshire despite the challenges and economic headwinds that often cause others to pause. For New Hampshire businesses to grow and thrive, thus contributing to a thriving local economy, they must have options to access capital for sustainability and expansion. We have witnessed first-hand continued and significant industry consolidation in our market, eliminating New Hampshire community banks and moving in big nationals or out of state banks from over the Maine and Massachusetts borders. This brings into clear focus the state of banking in New Hampshire and the critical need for Primary Bank to continue to step up for businesses. The elimination of community banks in New Hampshire continues and the formation of new banks has completely stalled.

As we look forward into 2025, our mission will become a lifeline for many small businesses in New Hampshire. Together, we can continue to make meaningful impacts to our local economy and to the vitality of small businesses in our State. As we always do, we encourage our shareholders to continue to be ambassadors for Primary Bank and support our mission, thus your investment. Our future is bright, opportunities for growth are nearly limitless and the need is immense.

In closing, operating a community bank means little without the talented people who run it, move us forward and advance our reputation across the State. Our employees and our directors are OUR bank, each one ready to meet the needs of our clients and build lasting relationships that keep our franchise highly desired. For the service, passion and growth that each of you provide every day, I am eternally grateful and can never say it often enough, "thank you."

Sincerely,

A handwritten signature in black ink that reads "Crystal". The signature is fluid and cursive, written in a professional style.

Crystal Dionne
President & CEO

POWERING NEW HAMPSHIRE

Primary was founded to serve as a community bank dedicated to providing tailored financial solutions that empower small to medium-sized businesses in Southern New Hampshire. Our mission was born out of a desire to protect the power of local banking and decision making, and it remains our mission today.

With New Hampshire's economy being overwhelmingly built on small business, the role of community banks like Primary is more critical than ever.

Having access to capital is essential for business growth, serving as the fuel that drives expansion, innovation, and financial stability—especially for small businesses. However, obtaining funding can be particularly challenging for startups and small businesses. As an entrepreneurial startup itself, Primary Bank understands these challenges and the unique needs of business owners.

Primary Bank offers the same comprehensive menu of services as larger banks, and we go a step further by developing specialized programs and innovative financial solutions that cater to local businesses. This adaptability allows us to respond swiftly and creatively to unforeseen circumstances and unexpected emergencies, ensuring business owners receive the crucial support they need.

Personalized attention is at the core of what we do—offering dedicated bankers, faster responses, and direct lines of communication. As a truly local bank, we are not just service providers; we are your neighbors, your customers, and your partners. We live, work, and volunteer in the community, and make decisions based on firsthand knowledge.

We proudly cultivate a strong culture and belief in our mission, often partnering with and donating to local charities and organizations that help our communities thrive. This commitment is exemplified by our actions. In the past year alone, we have donated over \$67,000 supporting nearly 100 local nonprofits, reinforcing our dedication to the well-being and prosperity of New Hampshire.

AWARDS & RECOGNITION

Primary Bank Named Top Performing Bank in New Hampshire

In July 2024, Primary Bank was recognized by Capital Performance Group as one of the top-100 publicly traded banks in the United States, with assets under \$2 billion.

The banks that made this year's list posted stronger growth across several categories, and Primary Bank was the only bank in the State of New Hampshire recognized for its performance.

Primary Bank Named Small Business Administration (SBA) 504 "Bank of the Year"

Primary Bank is proud to be named Small Business Administration (SBA) 504 "Bank of the Year" by Granite State Development Corporation. Congratulations to our own Scott Kingsley, VP Loan Officer, who was named "Lender of the Year." These awards underscore our commitment to the New Hampshire small business community and highlight our entrepreneurial nature.

Primary Bank Voted Best Community Bank by the readers of the Derry News

Primary Bank Named Best Performing Bank in the Northeast by S&P Global

Primary Bank Named Small Business Administration (SBA) "Lender of the Year" - 4 Consecutive Years

Primary Bank Named Healthiest Bank in New Hampshire - 3 Consecutive Years

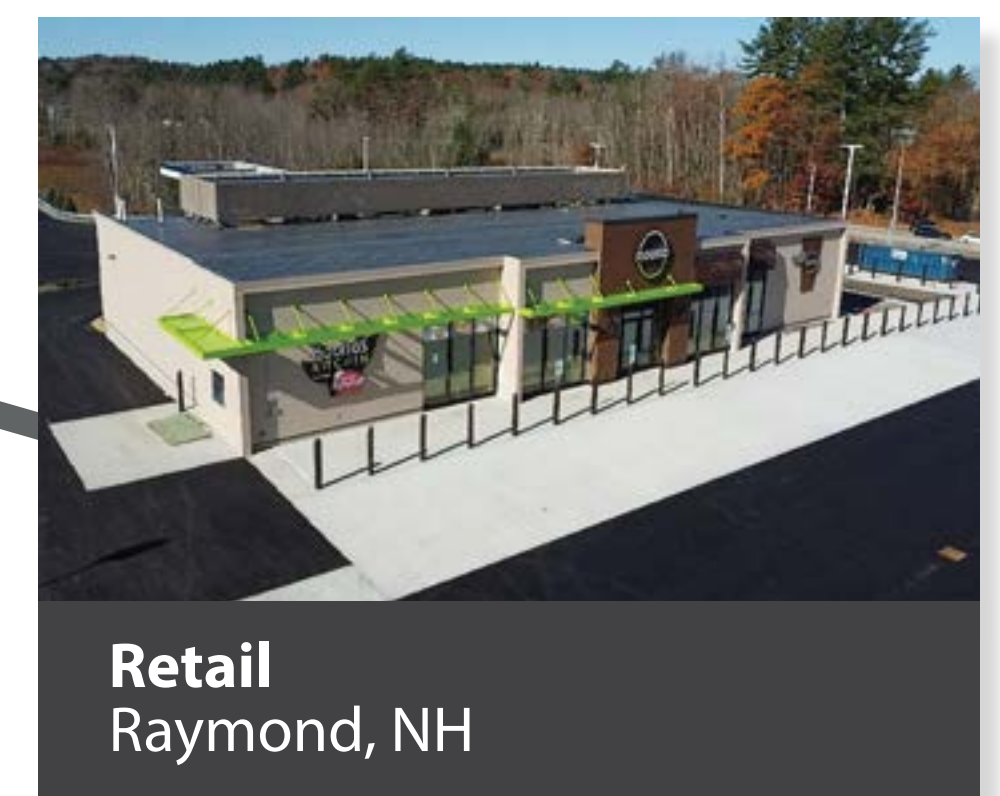
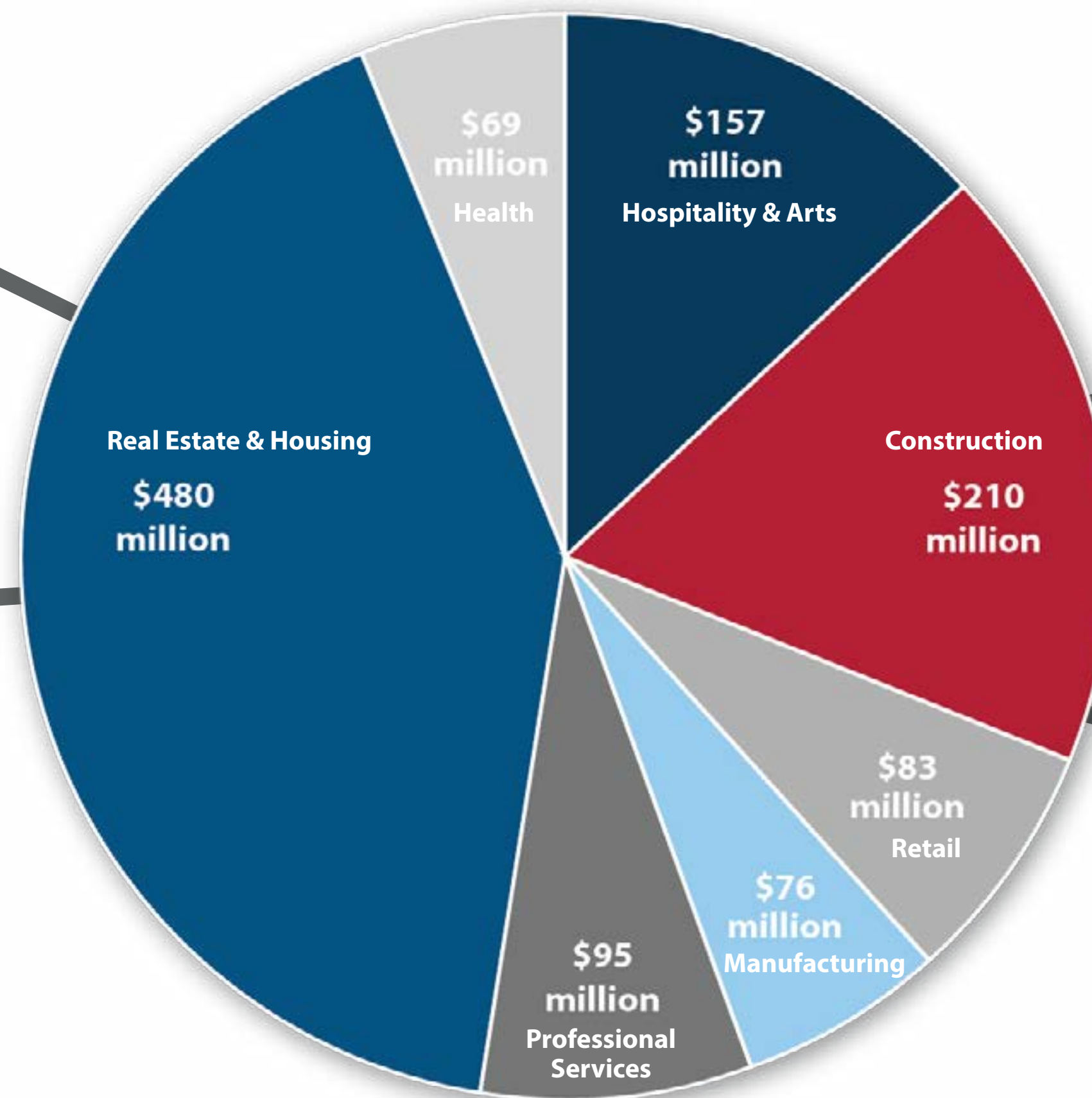


PROJECT GALLERY

One Billion Dollars in 9-Years

At Primary Bank our mission is to serve the financial needs of our business community, and we fulfill that mission through community reinvestment. In fact, 95% of the funds held at Primary Bank are reinvested directly back into businesses in the State of New Hampshire.

Since our founding, Primary Bank has reinvested more than \$1 billion dollars back into New Hampshire's economy.



COMMUNITY INVOLVEMENT

At Primary Bank, we believe that strong communities build strong businesses, and we're here to make sure both continue to thrive. We proudly cultivate not only a strong culture and belief in our mission, but we also act. From funding educational programs and youth initiatives to supporting arts, culture, and human services, Primary Bank is dedicated to making a difference.

Here is a highlight of our recent community partnerships:



FINANCIAL HIGHLIGHTS

Primary Bank is pleased to announce our financial results for the year ended, December 31, 2024.

By strategically managing our balance sheet in a challenging economic environment, we reported net income of \$10.6 million or \$2.25 basic earnings per share for 2024 compared to \$10 million or \$2.15 basic earnings per share for 2023.

Total asset growth of \$15 million or 2.2% was driven by net loan growth of \$10.6 million or 1.8%.

Commercial real estate and construction experienced expansion of \$13.2 million or 3.6%. Commercial business loans growth was strong at \$6.9 million or 5.9%. This growth illustrates Primary's commitment to support New Hampshire's businesses and entrepreneurs. Residential real estate experienced a decline of \$9.6 million or 8.8% due to the high interest rate environment.

Deposit growth remained flat at \$2.9 million or 0.5% due to competition from other local & national banks as well as online banks. We further supported loan growth with the use of Wholesale funding without needing to utilize available borrowing options.

Net interest margin was 4.1% at December 31, 2024 versus 3.9% at December 31, 2023. Net interest income declined from \$27.1 million to \$26.2 million as of December 31, 2024, due to continued interest rate pressure and the change in the deposit composition from non-maturities to time deposits.

The provision for credit loss expense declined \$108,000 from \$735,000 at December 31, 2023 to \$633,000 at December 31, 2024 due to our high credit quality and minimal charge off history.

Non-interest expense ended at \$11.6 million at December 31, 2024 compared to \$13.3 million at December 31, 2023. Our commitment to expense management is illustrated by our strong efficiency ratios of 48.5% and 43.37%, at December 31, 2024 and 2023, respectively.

Looking into 2025, we are committed to leveraging our strong financial position, balance sheet management, and customer-centered approach to be the premier banking partner for New Hampshire businesses.

BALANCE SHEET

December 31, 2024

Summary Balance Sheet (in Thousands)

	2024	2023
Assets		
Total cash and cash equivalents	\$ 95,102	\$ 91,327
Investment securities	10,116	9,591
Net loans	594,879	584,249
Other assets	8,873	8,829
Total assets	\$ 708,970	\$ 693,996
Liabilities and Capital		
Deposits	\$ 603,651	\$ 600,781
Other liabilities	5,443	4,951
Total liabilities	\$ 609,094	\$ 605,732
Capital		
Retained earnings	42,246	31,641
Common stock and additional paid-in-capital	57,630	56,623
Total Capital	99,876	88,264
Total Liabilities and Capital	\$ 708,970	\$ 693,996
Loans to Deposits	98.5%	97.2%
Loans to Assets	83.9%	84.2%
ACL to Loans	1.0%	1.0%
Tier 1 Leverage Ratio	14.1%	12.7%
Tier 1 Capital Ratio	15.4%	14.2%
Return on Average Assets	1.5%	1.4%
Return on Average Equity	11.3%	11.9%

INCOME STATEMENT

December 31, 2024

Summary of Operations (in Thousands)

	2024	2023
Interest and dividend income	\$ 39,396	\$ 36,578
Interest expense	13,199	9,429
Net interest income	26,197	27,149
Provision for credit loss	633	735
Non-interest income	608	600
Non-interest expense	11,581	13,280
Income before income taxes	14,591	13,734
Income tax provision	3,986	3,733
Net income	\$ 10,605	\$ 10,001
Basic earnings per share	\$2.25	\$2.15
Yield on loans	6.1%	5.8%
Cost of interest bearing deposits	3.4%	2.9%
Net spread	2.7%	2.9%
Net interest margin	3.9%	4.1%
Efficiency ratio	43.7%	48.5%

PrimaryBankNH.com

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

