

I'm proud to report that Salem Five Bancorp (SFB) had another strong year in 2024. Total consolidated assets increased by \$555 million to \$7.8 billion, which solidifies Salem Five's position as the fourth largest banking institution and largest mutual bank in the state. Consolidated earnings were \$53.9 million, despite a challenging year for the banking industry, with interest rates at multi-decade highs and rapidly shrinking margins. Salem Five's strong performance is a testament to the investments it has made in new products, services and technology, while harnessing the talent of its nearly 800 dedicated employees and maintaining strong risk management principles.

Total loans increased by \$566 million during the year, with healthy growth across all loan categories; while maintaining strong asset quality with total loan delinquency of 0.29%. In 2024, loan portfolio increases were as follows: Mortgage (\$268 million); Commercial (\$144 million); Aviation (\$63 million); Business Banking (\$53 million); and Consumer Loans (\$38 million). Growing Commercial and Small Business Banking remains a top priority for the Bank. Salem Five is uniquely positioned to serve the business segment with highly experienced bankers supported by strong deposit, loan and cash management products to serve this market. In addition, the Institutional Banking group continued to drive significant deposit growth.

The Bank's total deposits increased \$499 million and ended the year at \$5.6 billion. Salem Five raises funds through the Retail Branch network; Business Banking group; Commercial Lending; Online Bank – Salem Five Direct; and the Institutional Banking group. Deposit growth remains a challenge industry-wide, but Salem Five continues to fare competitively. The Bank's capital position is solid with total capital of \$888 million or 11.32% of total assets.

Salem Five's non-banking subsidiaries had a strong year. The Mortgage Company, as with the entire mortgage industry, continued to face subdued loan origination volume due to high mortgage rates and limited housing stock. However, the solid foundation that has been built over the years in the Mortgage Company helped to ensure that earnings continued strong in 2024. Salem Five Insurance had an outstanding year and will continue to add to the \$145 million annual premium portfolio with organic growth and agency acquisitions. The agency is led by its new president, Heather Smith, who joined the organization in late 2024 and took over as president after the retirement of Brian Boyle in early 2025. Salem Five Wealth Management & Trust consolidated its operating platforms during 2024 to streamline servicing and improve customer experience. Wealth Management will continue to expand and work closely with other divisions of the Bank to offer their expertise and guidance to Salem Five customers.

Throughout 2024, Salem Five continued to invest in the Bank's infrastructure and the communities it serves. The Bank's headquarter campus in Salem was fully renovated to provide ample office space for future expansion and an excellent working environment for employees. Select branches were upgraded and office space at those locations was also renovated.



In addition, Salem Five invested in various advanced software systems to improve risk management and enhance customer experience through our comprehensive digital offerings.

Supporting non-profits in the markets Salem Five serves is the mission of the Salem Five Charitable Foundation. Salem Five is proud to have donated approximately \$1 million to 350+ organizations throughout the year. During the holiday season, the Bank hosted its fourth annual toy drive for needy children partnering with The Salvation Army. Giving back in the region is a priority and source of pride for the organization.

To amplify and strengthen the Salem Five brand, the Bank continued its multi-year agreement with the New England Sports Network ("NESN"), featuring the naming rights to NESN's signature studio in Watertown where Red Sox and Bruins away games are broadcast, as well as sponsoring every 5th inning for all NESN Red Sox broadcasts. This high-profile investment reinforces Salem Five as a major player in the banking industry.

Salem Five's positive performance in 2024 revealed once again that the Bank's strong capital position, prudent risk management approach, seasoned management team and capable staffing at all levels position the organization for growth and success. Salem Five is understandably proud of its accomplishments and remains bullish about the opportunities for continued growth, despite an uncertain economy and geo-political issues. As a mutual bank with no stockholders, we answer to our customers, business clients and to the communities in which we serve. Our dedicated employees share a mission and vision to be the financial services organization of choice throughout the region.

A handwritten signature in black ink, reading "Ping Yin Chai".

Ping Yin Chai,  
President and CEO

# 2024 FINANCIAL HIGHLIGHTS

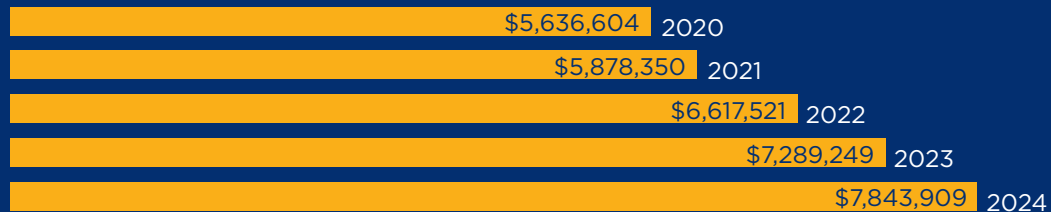
(Amounts in Thousands)

	2024	2023	2022	2021	2020
<b>SELECT BALANCE SHEET DATA</b>					
Total Assets	\$7,843,909	\$7,289,249	\$6,617,521	\$5,878,350	\$5,636,604
Securities	1,587,296	1,601,941	1,584,320	1,514,578	1,153,167
Residential first mortgage loans	2,092,437	1,824,037	1,585,983	1,331,684	1,362,266
Consumer loans	262,512	224,503	204,493	167,084	182,121
Commercial loans and leases	3,605,444	3,345,795	2,973,620	2,665,608	2,646,872
Allowance for credit losses	67,793	63,405	62,489	57,824	52,186
Total loans and leases, net	5,892,600	5,330,930	4,701,607	4,106,552	4,139,073
Total deposits	5,615,053	5,115,993	4,949,127	4,438,928	4,167,206
Borrowed funds	1,220,645	1,231,909	760,754	638,803	689,951
Total capital <sup>(1)</sup>	884,150	830,260	771,266	715,885	651,298
<sup>(1)</sup> Before accumulated and other comprehensive income					
Tier 1 Leverage Ratio	10.77%	10.75%	11.14%	11.41%	11.05%
Total Capital Ratio	14.86%	14.99%	15.34%	16.11%	16.45%

## SELECT OPERATING DATA

Net interest income	\$161,726	\$170,209	\$175,035	\$136,613	\$133,789
Provision for credit losses	5,400	4,800	7,200	6,200	10,850
Non-interest income	56,025	52,606	34,791	76,257	83,525
Non-interest expense	140,284	133,008	128,040	118,796	117,308
Income before taxes	72,067	85,007	74,586	87,874	89,156
Net income	53,890	63,330	55,381	64,587	65,820

### TOTAL ASSETS (000s)



### TOTAL DEPOSITS (000s)



### TOTAL CAPITAL (000s)

