



Meridian Corporation

NASDAQ: MRBK



Third Quarter 2024

Earnings Supplement





FORWARD-LOOKING STATEMENTS

Meridian Corporation (the "Corporation") may from time to time make written or oral "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Meridian Corporation's strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words "will", "may", "could", "should", "pro forma", "looking forward", "would", "believe", "expect", "anticipate", "estimate", "intend", "plan", "project", or similar expressions generally indicate a forward-looking statement. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those in such statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to: Local, regional, national and international economic conditions and the impact they may have on us and our customers and our assessment of that impact; Volatility and disruption in national and international financial markets; Adverse developments in the banking industry highlighted by high-profile bank failures and the potential impact of such developments on customer confidence, liquidity, and regulatory responses to these developments; Government intervention in the U.S. financial system; Changes in the mix of loan geographies, sectors and types or the level of non-performing assets and charge-offs; Our ability to manage our commercial real estate exposure; Changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; The effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board; Inflation, interest rate, securities market and monetary fluctuations; The effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which we and our subsidiaries must comply; Impairment of our goodwill or other intangible assets; Acts of God or of war or terrorism; Changes in consumer spending, borrowings and savings habits; Changes in the financial performance and/or condition of our borrowers; Technological changes, including the rise of AI as a commonly used resource; The cost and effects of cyber incidents or other failures, interruption or security breaches of our systems or those of third-party providers; Acquisitions and integration of acquired businesses; Our ability to increase market share and control expenses; Our ability to attract and retain qualified employees; Changes in the competitive environment in our markets and among banking organizations and other financial service providers; The effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the PCAOB, the FASB and other accounting standard setters; Changes in the reliability of our vendors, internal control systems or information systems; Changes in our liquidity position; Changes in our organization, compensation and benefit plans; The costs and effects of legal and regulatory developments, the resolution of legal proceedings or regulatory or other governmental inquiries, the results of regulatory examinations or reviews and the ability to obtain required regulatory approvals; Greater than expected costs or difficulties related to the integration of new products and lines of business; Our success at managing the risks involved in the foregoing items.

Meridian Corporation cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward-looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management's current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review the Corporation's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2023 and subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K that update or provide information in addition to the information included in the Form 10-K and Form 10-Q filings, if any. The Corporation does not undertake to update any forward-looking statement whether written or oral, that may be made from time to time by the Corporation or by or on behalf of Meridian Bank, except as may be required under applicable laws.



MRBK INVESTMENT HIGHLIGHTS

"Go to" bank in the Delaware Valley

Regional presence with a *community* touch.

Demonstrated organic growth engine in diversified loan segments.

Comfortably handle all but the largest companies.

Valuable customer base trained to solely use electronic channel.

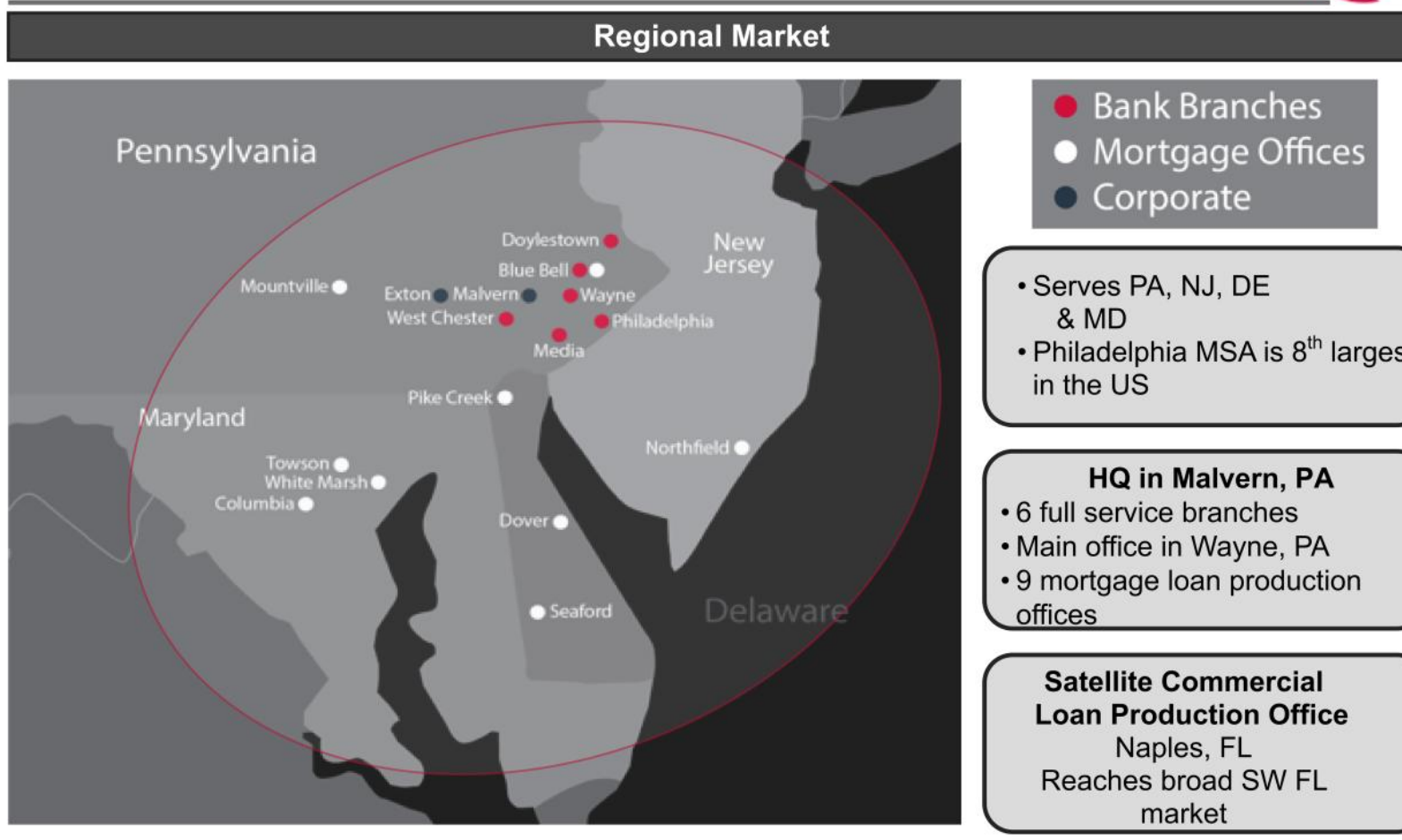
Strong sales culture that capitalizes on market disruption.

Skilled management team with extensive in-market experience.

Focus on Commercial, CRE and SBA lending - 80% of loan book.



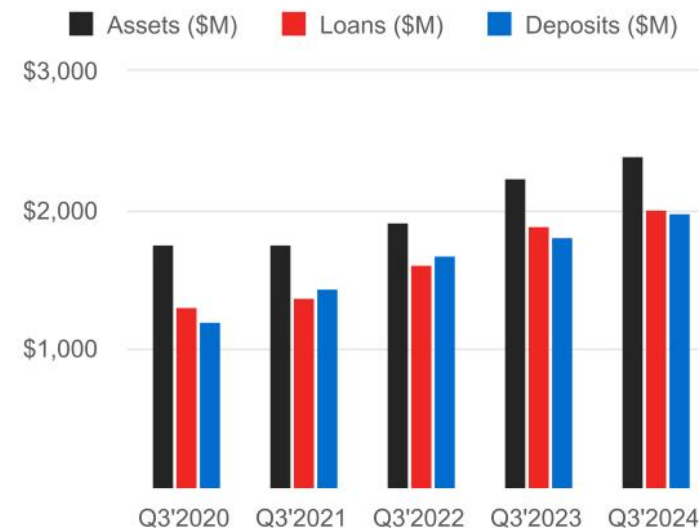
GEOGRAPHIC FOOTPRINT





Q3'2024 vs Q3'2023 Financial Recap

Summary Income Statement (\$000s)	Q3'2024	Q3'2023
Net Interest Income	\$ 18,242	\$ 17,224
Provision for Credit Losses	2,282	82
Non-Interest Income	10,831	8,086
Non-Interest Expense	20,546	20,018
Income Before Income Taxes	6,245	5,210
Income Taxes	1,502	1,205
Net income	\$ 4,743	\$ 4,005
Earnings Per Share		
Diluted Earnings Per Share	\$ 0.42	\$ 0.35
Pre-Tax, Pre-Provision Income by Segment ¹		
Bank	\$ 6,222	\$ 6,399
Wealth	653	417
Mortgage	1,652	(1,524)
Pre-Tax, Pre-Provision Income	\$ 8,527	\$ 5,292



Summary Balance Sheet	Q3'2024	Q3'2023
Assets (\$M)	\$ 2,388	\$ 2,231
Loans (\$M)	\$ 2,008	\$ 1,886
Deposits (\$M)	\$ 1,979	\$ 1,809
Equity (\$M)	\$ 167	\$ 155

1) A Non-GAAP measure. See Non-GAAP reconciliation in the Appendix.



Q3'2024 HIGHLIGHTS

Balance Sheet (\$M)	For the Calendar Quarter Ended				
	Q3'2024	Q2'2024	Q1'2024	Q4'2023	Q3'2023
Total Assets	\$ 2,388	\$ 2,352	\$ 2,293	\$ 2,246	\$ 2,231
Total Loans & Leases ²	2,055	2,043	1,985	1,921	1,909
Deposits	1,979	1,915	1,901	1,823	1,809
Equity	167	162	160	158	155
Tangible Equity / Tangible Assets ³	6.87 %	6.76 %	6.82 %	6.87 %	6.79 %
Net Income & Share Data (\$000s)					
Net Income	\$ 4,743	\$ 3,326	\$ 2,676	\$ 571	\$ 4,005
Diluted EPS	0.42	0.30	0.24	0.05	0.35
Price per Common Share	12.64	10.52	9.92	13.90	9.80
TBV per Share	14.58	14.17	13.96	13.78	13.53
Pre-tax, Pre-Provision Income ³	8,527	7,072	6,419	5,356	5,292
Common Dividends per Share	0.125	0.125	0.125	0.125	0.125
Dividend Yield (annualized)	4.0 %	4.8 %	5.0 %	3.6 %	5.1 %
Payout Ratio	29.1 %	41.7 %	52.1 %	250.0 %	34.7 %
Profitability (%)					
ROAA	0.80 %	0.58 %	0.47 %	0.10 %	0.73 %
ROAE	11.41 %	8.25 %	6.73 %	1.44 %	10.17 %
NIM	3.20 %	3.06 %	3.09 %	3.18 %	3.29 %

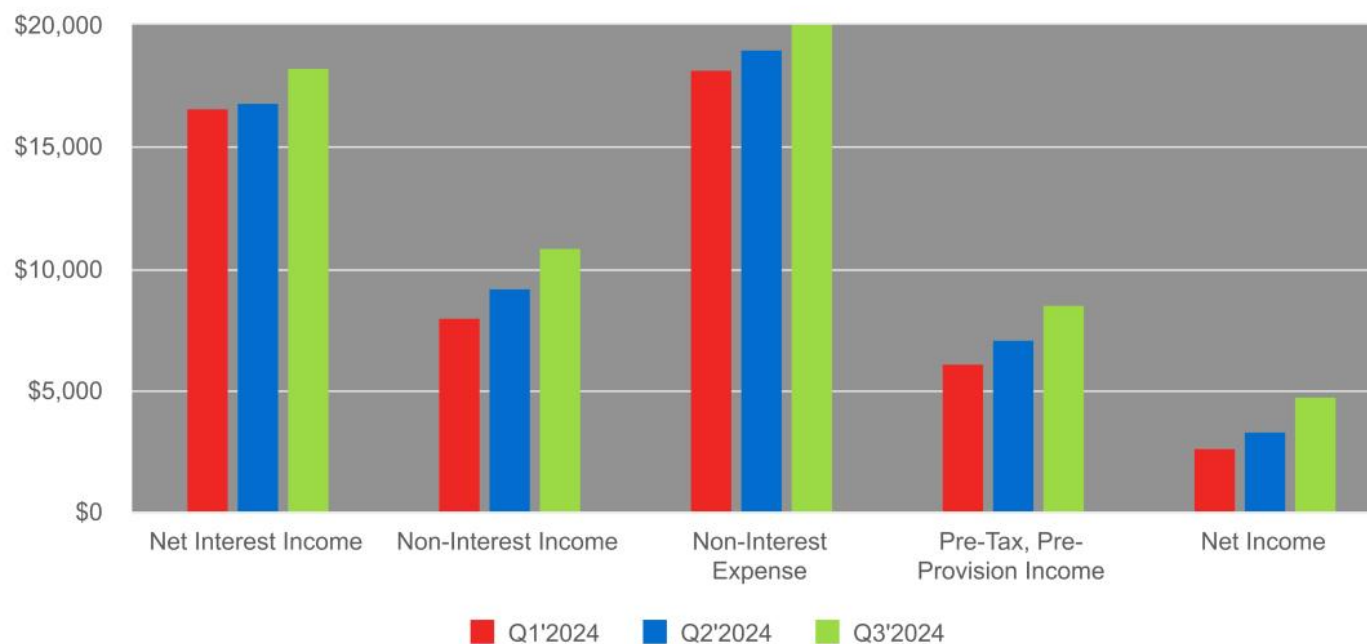
1) As of and for the quarter ended and year ended September 30, 2024, per October 24, 2024 press release.

2) Includes loans held for sale and loans held for investment.

3) A Non-GAAP measure. See Non-GAAP reconciliation in the Appendix.



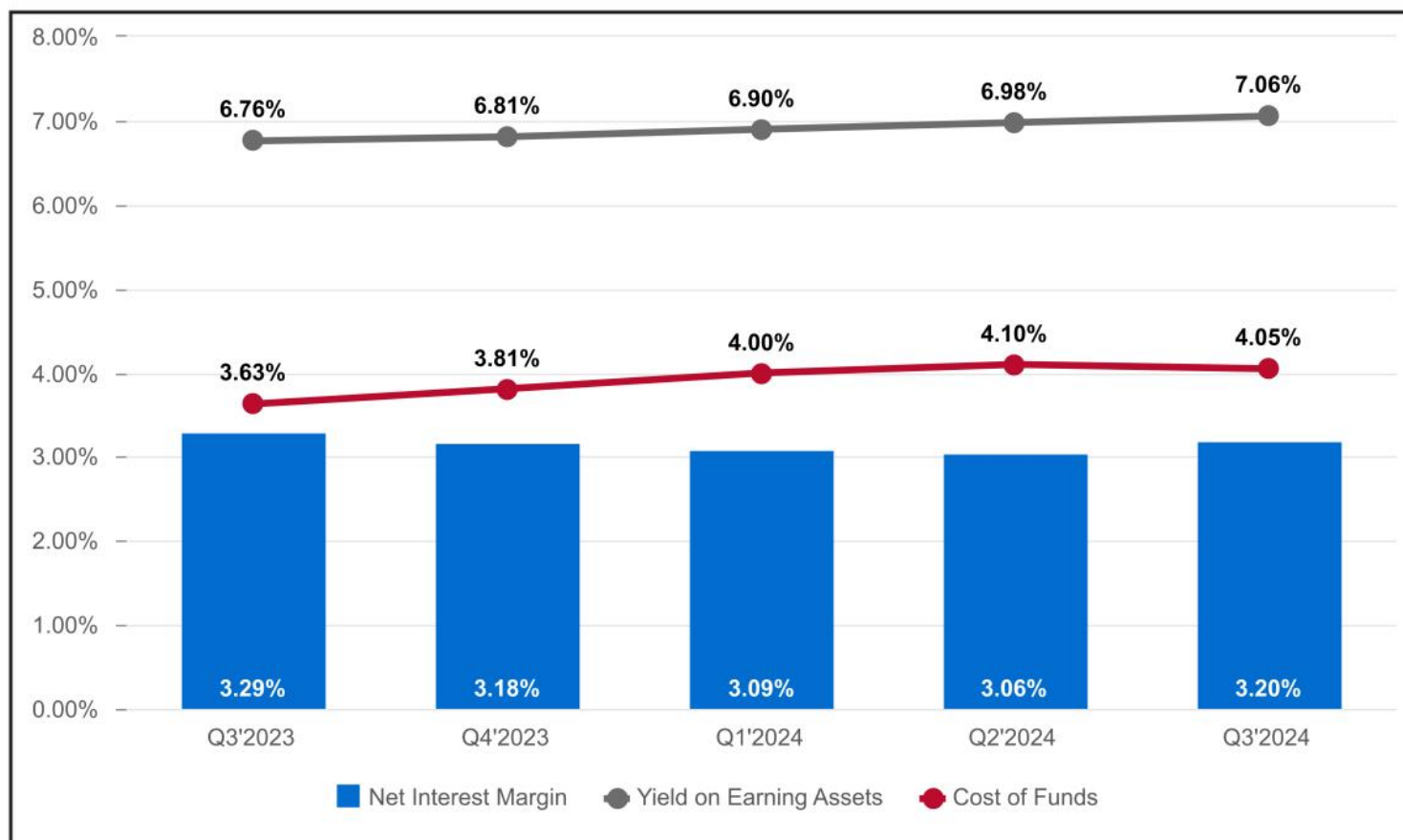
Q3'2024 INCOME STATEMENT TRENDS (\$000s)



Pre-tax, Pre-provision Income by Segment	Q3'2023	Q2'2024	Q3'2024
Bank	\$ 6,399	\$ 5,851	\$ 6,222
Wealth	417	676	653
Mortgage	(1,524)	545	1,652
Total Pre-tax, Pre-provision Income	\$ 5,292	\$ 7,072	\$ 8,527

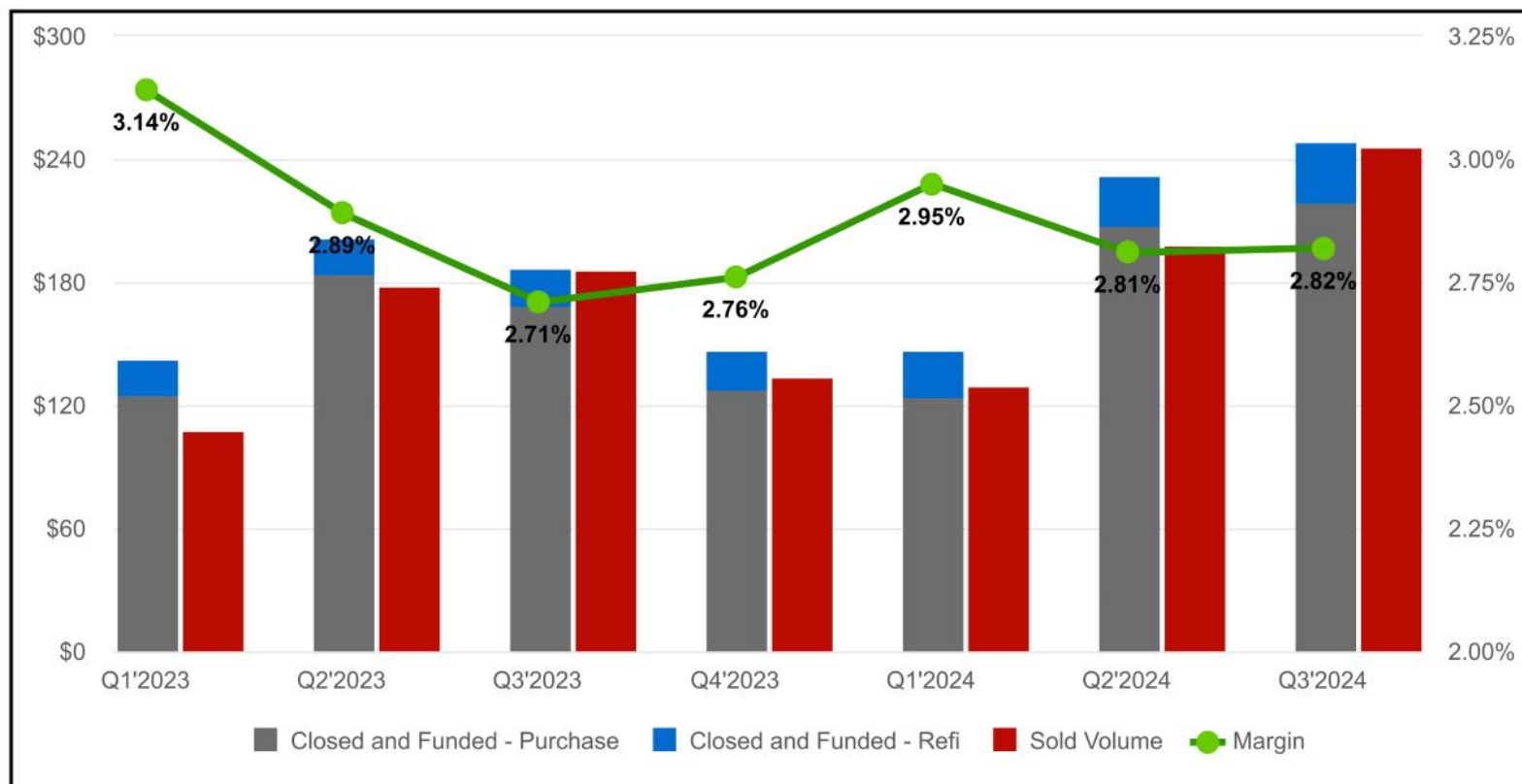


NET INTEREST MARGIN





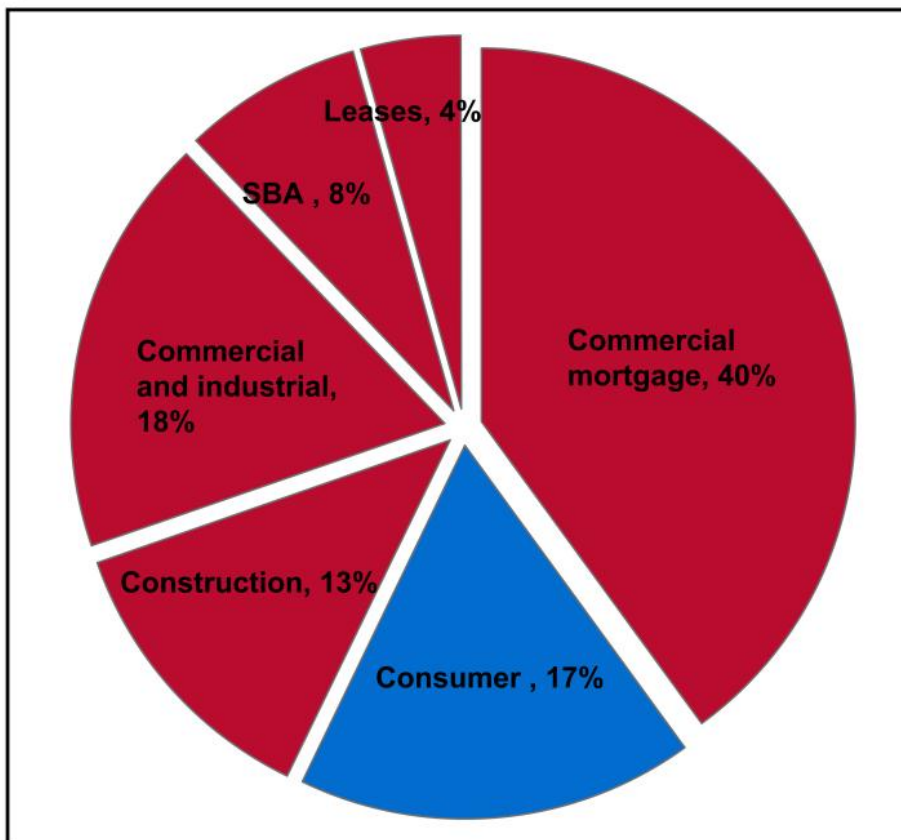
MORTGAGE VOLUME & MARGIN TRENDS



	Q1'2023	Q2'2023	Q3'2023	Q4'2023	Q1'2024	Q2'2024	Q3'2024
Refinance (%)	13%	9%	10%	13%	16%	10%	12%
Purchase (%)	87%	91%	90%	87%	84%	90%	88%



LOAN PORTFOLIO COMPOSITION



■ Commercial - 83%
 ■ Consumer - 17%
 (resi, home equity, other consumer)

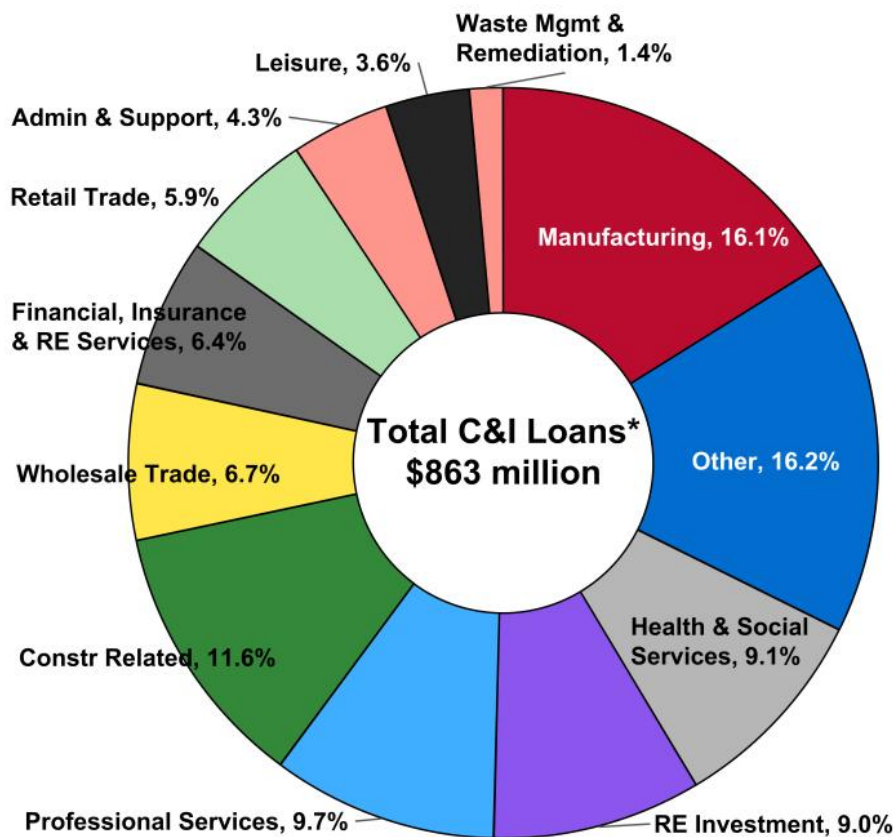
	September 30, 2024	QTR* Growth %
Portfolio Balance (000s)		
Commercial mortgage	800,938	13.2 %
Commercial and industrial	363,854	12.9 %
Construction	250,552	(18.4)%
SBA loans	156,499	13.3 %
Leases, net	86,704	(44.7)%
Residential mortgage	257,604	(2.9)%
Home equity	86,967	15.0 %
Consumer, other	342	(29.3)%
Total portfolio loans	\$ 2,003,460	4.1 %

*Quarter growth annualized



C&I LOAN PORTFOLIO OVERVIEW

C&I Portfolio By Industry as of September 30, 2024



Portfolio Characteristics

10 Largest C&I Relationships as a % of C&I Portfolio	14 %
10 Largest C&I Relationships as a % of Total Loan Portfolio	6 %
Average Loan Size Outstanding of C&I Portfolio (\$000s)	\$521
Weighted Average Risk Rating of C&I Portfolio	4.1 (pass)

*Includes owner occupied CRE of \$253 million



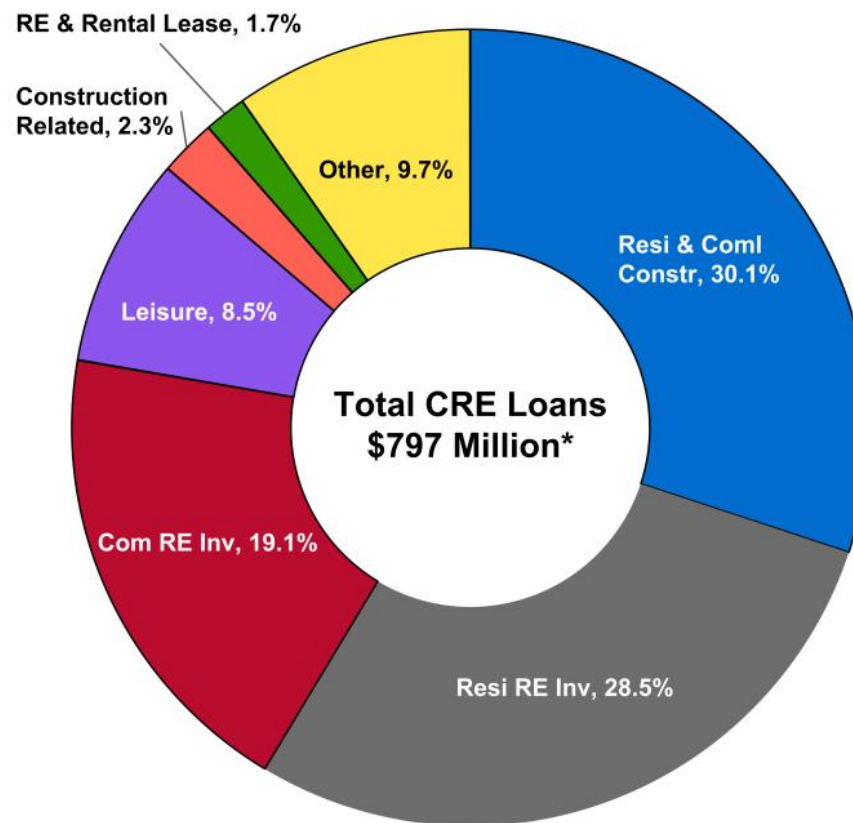
CRE LOAN PORTFOLIO OVERVIEW

(as a % of CRE loans)

Included in CRE:

- \$110.2M of multi-family loans

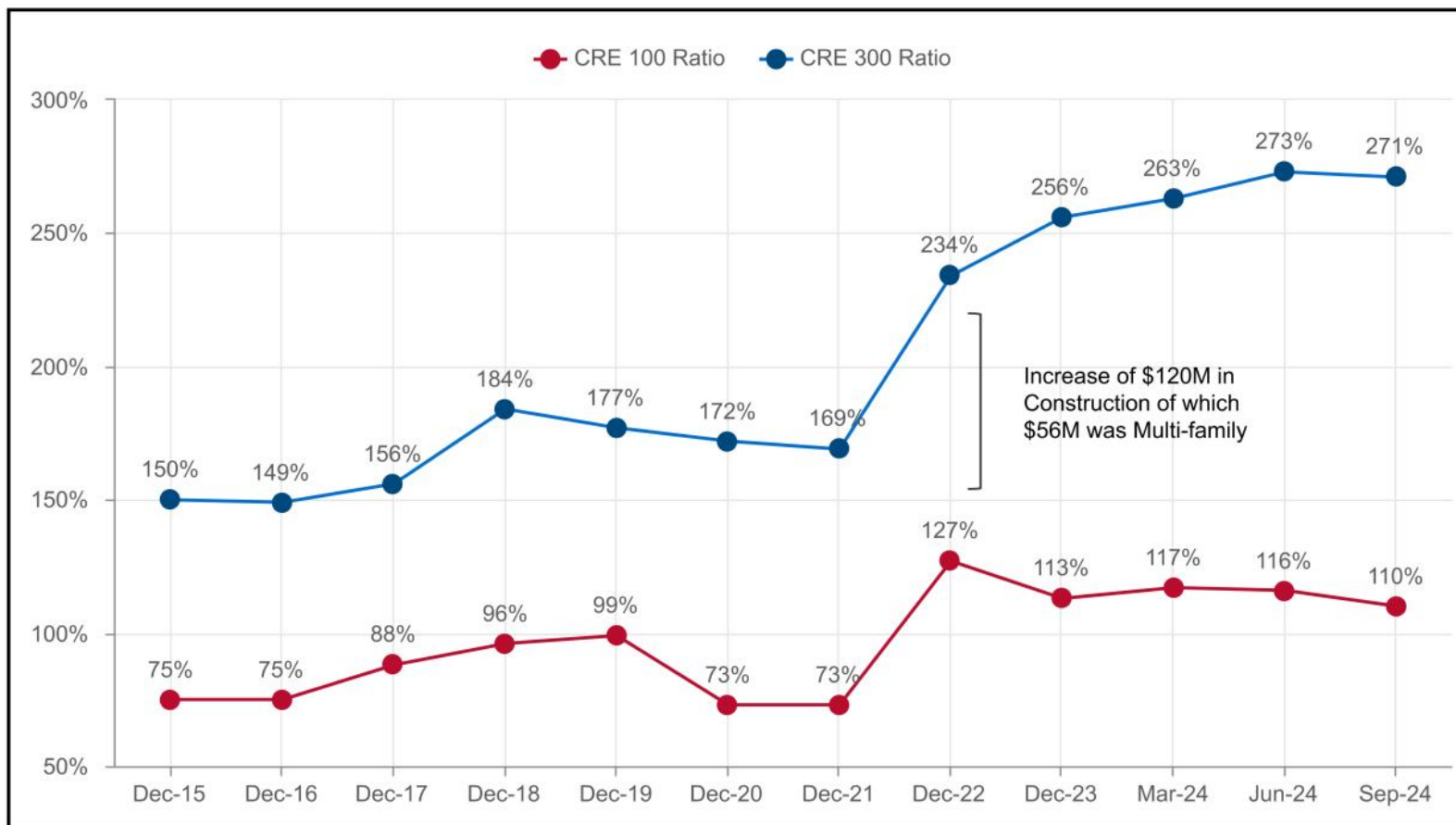
Region	Amount (\$000s)	% of Total
Philadelphia	77,454	70 %
Chester County, PA	13,232	12 %
Montgomery County, PA	7,634	7 %
Wilmington, DE	6,578	6 %
Delaware County PA	2,155	2 %
Southern NJ	1,407	1 %
Bucks County, PA	1,031	1 %
Other	719	1 %
	<u>\$ 110,210</u>	



*Owner occupied CRE of \$253 million not included (see C&I chart)



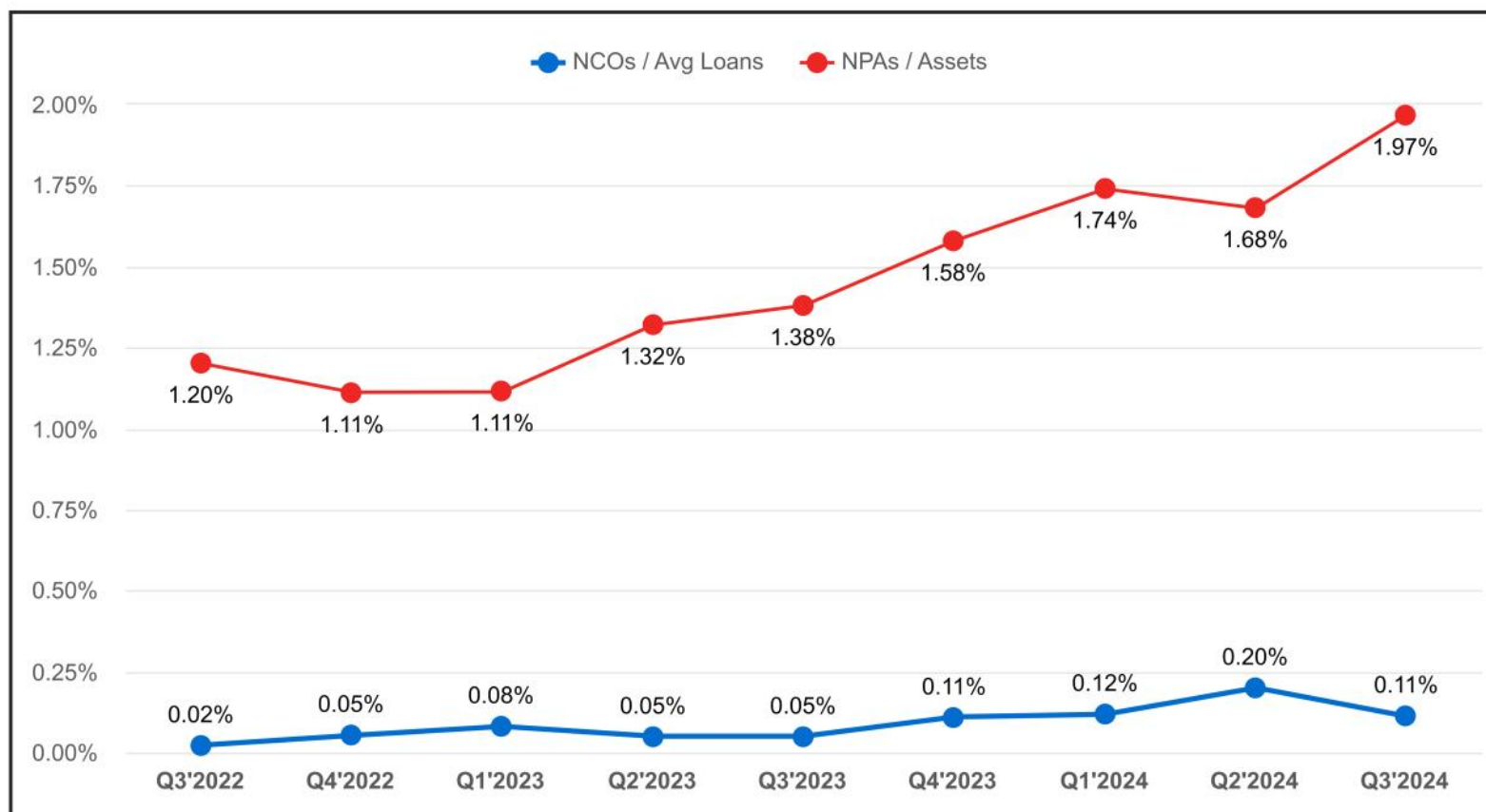
CRE RATIOS - 100 & 300*



* The CRE 100 Ratio and CRE 300 Ratio consist of construction loans (100) and non-owner occupied CRE loans (300) compared to total risk-based capital at September 30, 2024.



ASSET QUALITY TRENDS





INTEREST RATE SENSITIVITY

Projected Interest Sensitivity Changes as a Measure of Net Interest Income

	Calculated Increase (Decrease) in Projected Annual Net Interest Income*			
	September 30, 2024		September 30, 2023	
	\$ Change (000s)	% Change	\$ Change (000s)	% Change
Rates up 200 bps	120,000	1.6 %	(51,000)	(0.7)%
Rates up 100 bps	71,000	1.0 %	(20,000)	(0.3)%
Rates down 100 bps	(97,000)	(1.3)%	(91,000)	(1.3)%
Rates down 200 bps	(188,000)	(2.5)%	(180,000)	(2.6)%

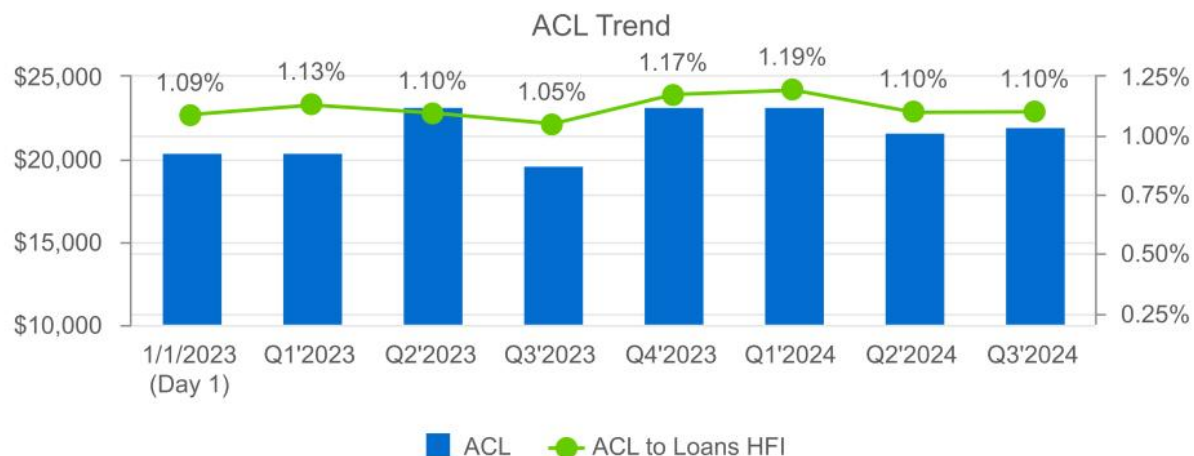
← Relatively neutral

*as rate shifts upward and downward on the yield curve in even increments over twelve months (ramp)



ACL COMPOSITION (Q3'2024 vs Q2'2024)

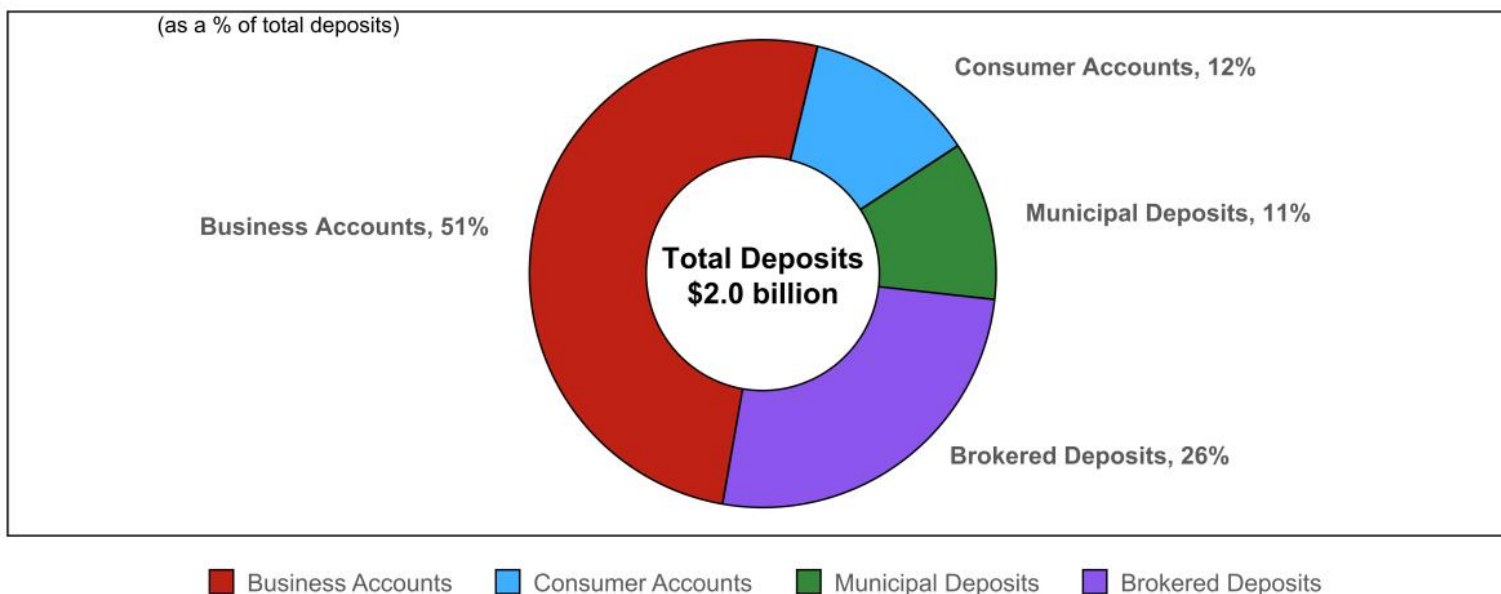
Funded ACL (\$000's)	Q2'2024	Funded ACL as % of Portfolio	Q3'2024	Funded ACL as % of Portfolio
Commercial loans (C&I, CRE, and construction)	9,078	0.65 %	10,101	0.71 %
Small business loans	7,498	4.95 %	7,167	4.58 %
Home equity lines and loans	1,114	1.33 %	1,105	1.27 %
Residential mortgage	1,059	0.41 %	981	0.38 %
Leases	2,954	3.03 %	2,611	3.01 %
Total Funded ACL	\$ 21,703		\$ 21,965	
ACL to Loans HFI⁽¹⁾	1.10 %		1.10 %	



(1) Excludes loans held for sale and loans at FV



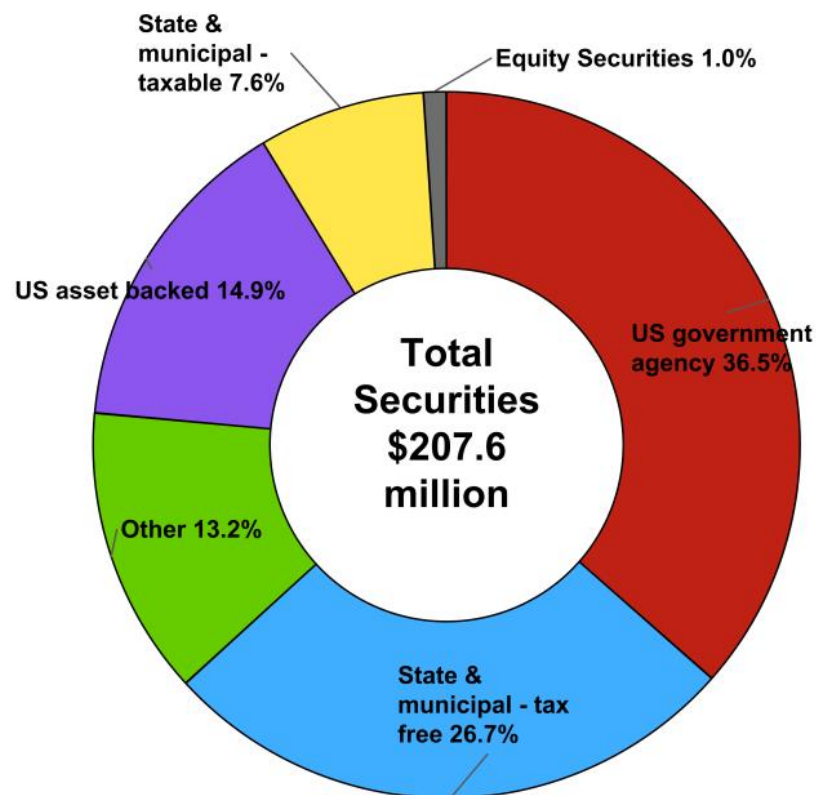
DEPOSIT COMPOSITION



- At September 30, 2024, 62% of business accounts and 89% of consumer accounts were fully insured by the FDIC.
- The average business money market account balance was \$522 thousand at September 30, 2024.
- The municipal deposits are 100% insured or collateralized and brokered deposits are 100% FDIC insured.
- The level of uninsured deposits for the entire deposit base was 20% at September 30, 2024.



INVESTMENT PORTFOLIO COMPOSITION



- Total investment securities 8.7% of total assets:
 - 84% Available for sale (AFS).
 - 16% Held-to-maturity (HTM).
- Portfolio duration - 3.8 years and average life - 5.2 years.
- Tax-equivalent yield - 3.8%
- 12-month projected cash flow \$30.1 million, or 15% of portfolio
- AOCI of \$5.7 million or 2.6% of Tier 1 capital.
- \$16.0 million securities sold in 3Q'24 and reinvested in higher rate securities - positive 152 bps impact to portfolio yield (\$53k loss recognized).

(1) Capital ratios reflect Meridian Bank ratios.



APPENDIX - HISTORICAL FINANCIAL HIGHLIGHTS AND RECONCILIATIONS OF NON-GAAP MEASURES



HISTORICAL FINANCIAL DATA

<i>(dollars in thousands)</i>	As of or the Quarter Ended			As of or the Year Ended		
	Q3'2024	Q2'2024	Q3'2023	2023Y	2022Y	2021Y
Balance Sheet						
Total Assets	\$2,387,721	\$2,351,584	\$2,230,971	\$2,246,193	\$2,062,228	\$1,713,443
Loans (1)	2,054,998	2,042,813	1,908,773	1,920,622	1,765,925	1,467,339
Deposits	1,978,927	1,915,436	1,808,645	1,823,462	1,712,479	1,446,413
Gross Loans / Deposits	103.84 %	106.65 %	105.54 %	105.33 %	103.12 %	101.45 %
Capital						
Total Equity	\$ 167,450	\$ 162,382	\$ 155,114	\$ 158,022	\$ 153,280	\$ 165,360
Tangible Common Equity / Tangible Assets - HC (3)	6.87 %	6.76 %	6.79 %	6.87 %	7.25 %	9.42 %
Tangible Common Equity / Tangible Assets - Bank (3)	8.95	8.85	8.89	8.94	8.80	11.54
Tier 1 Leverage Ratio - Bank	9.32	9.33	9.65	9.46	9.95	11.51
Total Capital Ratio - Bank	11.22	10.84	11.85	11.17	11.87	14.63
Commercial Real Estate Loans / Total RBC	270.7 %	275.8 %	261.3 %	255.9 %	232.8 %	167.2 %
Earnings & Profitability						
Net Income	\$ 4,743	\$ 3,326	\$ 4,005	\$ 13,243	\$ 21,829	\$ 35,585
ROA	0.80 %	0.58 %	0.73 %	0.61 %	1.18 %	2.06 %
ROE	11.41	8.25	10.17	8.53	13.87	23.74
Net Interest Margin (NIM)(TEY)	3.20	3.06	3.29	3.35	3.98	3.77
Non-Int Inc. / Avg. Assets	1.82	1.60	1.47	1.48	2.26	5.09
Efficiency Ratio	70.67 %	72.89 %	79.09 %	76.43 %	72.81 %	68.65 %
Asset Quality						
Nonaccrual Loans / Loans (1)	2.20 %	1.84 %	1.53 %	1.76 %	1.20 %	1.57 %
NPA's / Assets	1.97	1.68	1.38	1.58	1.11	1.34
Reserves / Loans (2) (3)	1.10	1.10	1.05	1.17	1.09	1.46
NCOs / Average Loans	0.11 %	0.20 %	0.05 %	0.30 %	0.15 %	0.00 %
Yield and Cost						
Yield on Earning Assets (TEY)	7.06 %	6.98 %	6.76 %	6.62 %	5.02 %	4.27 %
Cost of Deposits	3.92	3.98	3.46	3.24	0.97	0.48
Cost of Interest-Bearing Liabilities	4.57 %	4.60 %	4.16 %	3.97 %	1.36 %	0.65 %

- 1) Includes loans held for sale and held for investment.
- 2) Includes loans held for investment (excluding loans at fair value).
- 3) A Non-GAAP measure. See Appendix for Non-GAAP to GAAP reconciliation.



RECONCILIATION OF NON-GAAP MEASURES

Meridian believes that non-GAAP measures are meaningful because they reflect adjustments commonly made by management, investors, regulators and analysts. The non-GAAP disclosure have limitations as an analytical tool, should not be viewed as a substitute for performance and financial condition measures determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of Meridian's results as reported under GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies.

	Pre-tax, Pre-provision Reconciliation		
	Three Months Ended		
(Dollars in thousands, except per share data)	September 30, 2024	June 30, 2024	September 30, 2023
Income before income tax expense	\$ 6,245	\$ 4,392	\$ 5,210
Provision for credit losses	2,282	2,680	82
Pre-tax, pre-provision income	\$ 8,527	\$ 7,072	\$ 5,292
Bank	\$ 6,222	\$ 5,851	\$ 6,399
Wealth	653	676	417
Mortgage	1,652	545	(1,524)
Pre-tax, pre-provision income	\$ 8,527	\$ 7,072	\$ 5,292

	Allowance For Credit Losses (ACL) to Loans and Other Finance Receivables, Excluding Loans at Fair Value				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(dollars in thousands)					
Allowance for credit losses (GAAP)	\$ 21,965	\$ 21,703	\$ 23,171	\$ 22,107	\$ 19,683
Loans and other finance receivables (GAAP)	2,008,396	1,988,535	1,956,315	1,895,806	1,885,629
Less: Loans at fair value	(13,965)	(12,900)	(13,139)	(13,726)	(13,231)
Loans and other finance receivables, excluding loans at fair value (non-GAAP)	\$ 1,994,431	\$ 1,975,635	\$ 1,943,176	\$ 1,882,080	\$ 1,872,398
ACL to loans and other finance receivables, net of fees and costs (GAAP)	1.09 %	1.09 %	1.18 %	1.17 %	1.04 %
ACL to loans and other finance receivables, excluding loans at fair value (non-GAAP)	1.10 %	1.10 %	1.19 %	1.17 %	1.05 %



RECONCILIATION OF NON-GAAP MEASURES

<i>(dollars in thousands)</i>	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Tangible common equity ratio - Consolidated:					
Total stockholders' equity (GAAP)	\$ 167,450	\$ 162,382	\$ 159,936	\$ 158,022	\$ 155,114
Less: Goodwill and intangible assets	(3,717)	(3,768)	(3,819)	(3,870)	(3,921)
Tangible common equity (non-GAAP)	<u>\$ 163,733</u>	<u>\$ 158,614</u>	<u>\$ 156,117</u>	<u>\$ 154,152</u>	<u>\$ 151,193</u>
Total assets (GAAP)	\$ 2,387,721	\$ 2,351,584	\$ 2,292,923	\$ 2,246,193	\$ 2,230,971
Less: Goodwill and intangible assets	(3,717)	(3,768)	(3,819)	(3,870)	(3,921)
Tangible assets (non-GAAP)	<u>\$ 2,384,004</u>	<u>\$ 2,347,816</u>	<u>\$ 2,289,104</u>	<u>\$ 2,242,323</u>	<u>\$ 2,227,050</u>
Tangible common equity ratio (non-GAAP)	6.87 %	6.76 %	6.82 %	6.87 %	6.79 %
Tangible common equity ratio - Bank:					
Total stockholders' equity (GAAP)	\$ 217,028	\$ 211,308	\$ 208,319	\$ 204,132	\$ 201,996
Less: Goodwill and intangible assets	(3,717)	(3,768)	(3,819)	(3,870)	(3,921)
Tangible common equity (non-GAAP)	<u>\$ 213,311</u>	<u>\$ 207,540</u>	<u>\$ 204,500</u>	<u>\$ 200,262</u>	<u>\$ 198,075</u>
Total assets (GAAP)	\$ 2,385,994	\$ 2,349,600	\$ 2,292,894	\$ 2,244,893	\$ 2,232,297
Less: Goodwill and intangible assets	(3,717)	(3,768)	(3,819)	(3,870)	(3,921)
Tangible assets (non-GAAP)	<u>\$ 2,382,277</u>	<u>\$ 2,345,832</u>	<u>\$ 2,289,075</u>	<u>\$ 2,241,023</u>	<u>\$ 2,228,376</u>
Tangible common equity ratio (non-GAAP)	8.95 %	8.85 %	8.93 %	8.94 %	8.89 %