



# INVESTOR PRESENTATION

Third Quarter 2024

[MyBank.com](https://www.firstunited.com)

# Forward looking statements



This presentation contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements do not represent historical facts, but are statements about management's beliefs, plans and objectives about the future, as well as its assumptions and judgments concerning such beliefs, plans and objectives. These statements are evidenced by terms such as "anticipate," "estimate," "should," "expect," "believe," "intend," and similar expressions. Although these statements reflect management's good faith beliefs and projections, they are not guarantees of future performance and they may not prove true. The beliefs, plans and objectives on which forward-looking statements are based involve risks and uncertainties that could cause actual results to differ materially from those addressed in the forward-looking statements. For a discussion of these risks and uncertainties, see the section of the periodic reports that First United Corporation files with the Securities and Exchange Commission entitled "Risk Factors. Whether actual results will conform to expectations and predictions is subject to known and unknown risks and uncertainties. Actual results could be materially different from management's expectations. This presentation should be read in conjunction with our Annual Report on Form 10-K, as amended, for the year ended December 31, 2023, including the sections of the report entitled "Risk Factors", as well as the reports and other documents that we subsequently file with the Securities and Exchange Commission ("SEC"), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov) or at our website at [www.mybank.com](http://www.mybank.com). Except as required by law, we do not intend to publish updates or revisions of any forward-looking statements we make to reflect new information, future events or otherwise.

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# Corporate Overview



## Overview

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**Founded:** 1900

**Headquarters:** Oakland, MD

**Locations:** 22 branches

### Business Lines:

- Commercial & Retail Banking
- Trust Services
- Wealth Management

**Ticker:** FUNC (Nasdaq)

**Website:** [www.MyBank.com](http://www.MyBank.com)

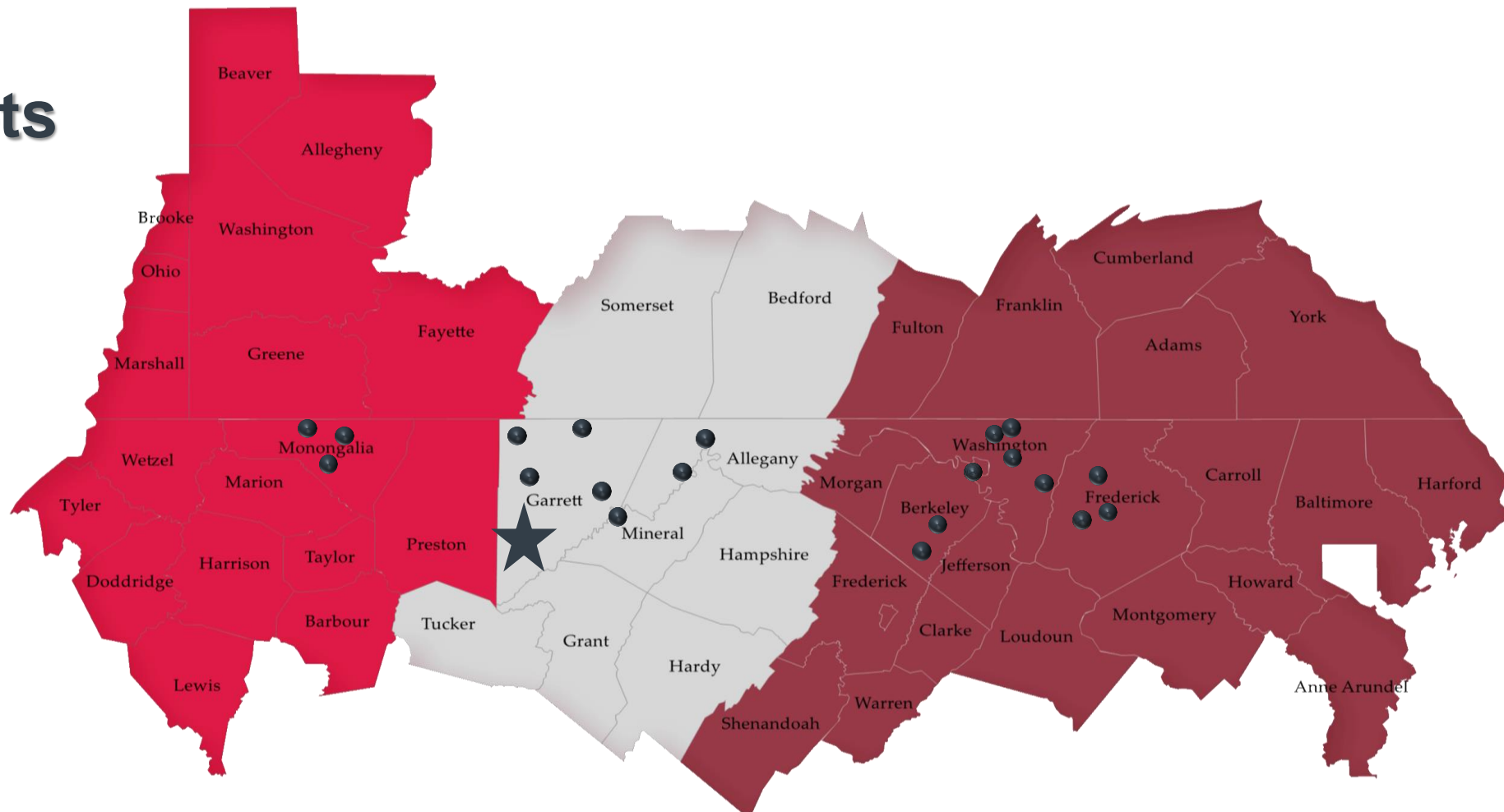
## Our Mission

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To enrich the lives of our associates, customers, communities and shareholders through uncommon commitment to service and customized financial solutions.



# Core Markets



	West Region	Central Region	East Region
Loans (000s)	\$322,331	\$435,411	\$560,561
Deposits (000s)	\$140,967	\$772,673	\$486,660
Deposit Market Share <sup>(1)</sup> (at June 30, 2024)	3%	45%	4%
Branches	3	9	10

Note: Out of market loans represent \$114 million and are not reflected in this table

(1) Source: FDIC Market Share Data, most current. Deposit market share for each region includes the following counties:

**West:** Monongalia, WV

**Central:** Garrett, MD; Allegany, MD; Mineral, WV

**East:** Washington, MD; Frederick, MD; Berkeley, WV

# Core Strengths



## Financial Strength

- Regulatory capital ratios **significantly above** regulatory requirements
- Significant **access to liquidity** sources

## Diversified Revenue Stream

- Diversified revenue stream **driven by trust and brokerage fee income** provides protection during times of low interest rates

## Core Deposit Franchise

- Stable legacy markets produce **steady low-cost funding**
- **Technology** and business **relationships** drive growth

## Engaged & Diverse Leadership

- **Diverse and experienced Board** with the skills to oversee risks, strategic initiatives and governance best practices
- Ongoing Board **succession strategy**

## Culture of Engagement

- **Supporting local causes** with financial education, consultation and robust products and services
- **Knowledgeable associates** committed to helping clients & the communities we serve

## Expense Structure

- Well-established operational infrastructure will **support future growth**
- Expense management focus, hybrid work environment and technology drive **cost savings**

## Robust Enterprise Risk Management

- **Strong underwriting** guidelines and risk management framework
- Focus on **risk mitigation, loan concentration management** and **information security**

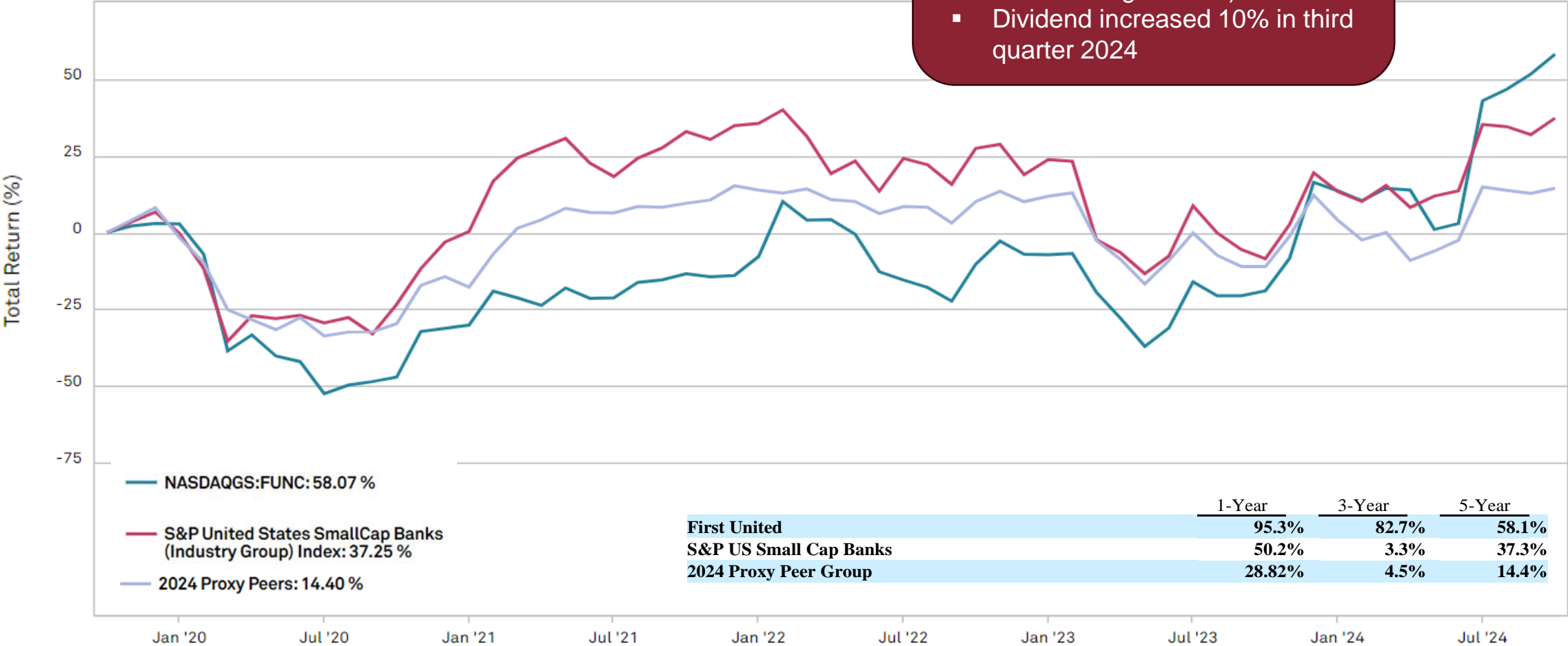
## Forward-Thinking Approach

- **Innovative and dynamic** approach to attracting and retaining clients
- **Investment in FinTech** funds provides early exposure to new technology

# Total Shareholder Return



- Average daily volume increased
  - 9,687 shares 2023 (1 year ending 9.30.23)
  - 20,459 shares 2024 (1 year ending 9.30.24)
- Dividend increased 10% in third quarter 2024



# Risk Management, Monitoring & Mitigation



## Underlies all Strategic Priorities

### Asset Quality



- Low net charge-offs and strong asset quality resulting from conservative and proactive credit culture
- ACL level of 1.24%; future provisioning based on loan growth, economic environment and asset quality changes
- Diversified commercial loan portfolio and geographic footprint
- Disciplined loan growth strategy, concentration management, stress testing and exception tracking and monitoring
- Well-defined loan approval levels
- Centralized risk rating and monitoring of risk rating migration and delinquency trends
- Robust annual third-party loan review

### Interest Rate Sensitivity



- Maintaining a slightly asset sensitive balance sheet and positioning for down rate environment
- Limiting longer-term investment exposure and actively managing loan and deposit terms
- Focused on capturing core, low-cost deposits
- Monitoring dynamic and static rate ramp scenarios

### Cyber-Security & Fraud Monitoring



- Board regularly briefed on cyber-security matters
- Robust information security training programs for associates and Board
- Regular third-party review and testing of information security, compliance processes and cybersecurity controls
- No security breaches to-date
- Adaptive fraud detection and management

### Capital



- Strong capital levels well above regulatory “well-capitalized” definition
- Conservative dividend payout policy to improve TCE and maintain capital during turbulent economic environment
- Capital stress tests indicate Bank is well positioned to absorb potential losses
- Stock repurchase program approved by board

### Liquidity Management



- Loan to deposit ratio of 94%
- Liquidity contingency plan in place and funds position monitored daily
- Liquidity stress testing performed quarterly with strong liquidity under various scenarios
- Available borrowing capacity of \$353 million through correspondent lines of credit, FHLB and the Federal Reserve
- Strong, stable low-cost core deposit franchise of 91% of total deposit portfolio



# Strategic Pillars & Key Objectives



## Culture & Human Capital



- Attract and hire passionate, **diverse talent** to engage with clients and prospects across broader geographics.
- Drive associate **retention and foster career development** through mentoring initiatives, leadership programs, and educational opportunities.
- Expand associate **engagement**, cross-functional **collaboration**, and **communication**.
- Enhance **succession** plan by fostering forward-thinking strategies that promote innovation and long-term growth.

## Product & Service Revenue Diversification



- **Increase non-interest income** as a percentage of revenue to reduce dependence on net interest margin.
- Expand business development training and outreach efforts to **drive strategic sales growth and deepen** community-oriented business owner **relationships**.
- **Revamp customer segmentation** to focus on expanding product and service utilization by the existing customer base.
- **Improve brand awareness** in growth markets.

## Resource Optimization



- **Optimize balance sheet mix** to maximize profitability.
- **Expand net interest margin** through a disciplined approach to loan and deposit portfolio repricing.
- **Effectively manage Capital** through repurchase opportunities and effective investor communication.
- **Improve efficiency** by utilizing technology, leveraging data, artificial intelligence, and digital alternatives.
- **Reduce monetary loss** and administrative costs associated with cyber security and fraud.
- Allocate resources to **enhance market share** and execute tactics to **optimize geographic presence**.
- **Cultivate relationships** for potential future bank and wealth expansion.

Effective use of technology, marketing and communications, and an environmental focus underlies all strategic priorities.

# Third Quarter Financial Highlights



**\$5.8 Million**

Net Income<sup>(1)</sup>

**\$0.89**

Diluted EPS<sup>(1)</sup>

**1.20%\***

ROAA<sup>(1)</sup>

**14.45\***

ROATCE<sup>(1)</sup>

**3.46%**

NIM

- Total assets increased \$47.5 million compared to June 30, 2024
- Consolidated net income<sup>(1)</sup> of \$5.8 million in 3Q24 compared to \$4.5 million in 3Q23 and \$4.9 million in linked quarter; pre-provision net revenue of \$8.0 million compared to \$6.1 million and \$7.7, respectively
- Net interest income, on a non-GAAP, FTE basis\* remained stable in 3Q24 compared to 2Q24; increased interest income was offset by increased interest expense
- Asset quality remains stable with the ratio of the allowance for credit losses (“ACL”) to loans outstanding at 1.24% in 3Q24 and 1.26% in the linked quarter
- Efficiency ratio of 60.52%<sup>(1)</sup> for the third quarter of 2024 compared to 61.39% for the linked quarter; decrease primarily attributable to the stable net interest income, non-interest expense and increased non-interest income

(1) See Appendix for a reconciliation of these non-GAAP financial measure

\* 3Q2024 Annualized

# Year to Date Financial Highlights



**\$14.8 Million**  
Net Income<sup>(1)</sup>

**\$2.26**  
Diluted EPS<sup>(1)</sup>

**1.01%\***  
ROAA<sup>(1)</sup>

**12.69%\***  
ROATCE<sup>(1)</sup>

**3.34%**  
NIM

- Total assets increased \$10.3 million compared to December 31, 2023
- Consolidated net income<sup>(1)</sup> of \$14.8 million as of September 30, 2024 compared to \$13.3 million as of September 30, 2023; pre-provision net revenue of \$22.1 million as of September 30, 2024 compared to \$18.6 million as of September 30, 2023
- Net interest income, on a non-GAAP, FTE basis\* increased slightly by 2.80% for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023; increased interest income offset by an increase in interest expense due to the continued competitive deposit landscape
- Asset quality remains stable with the ratio of the allowance for credit losses (“ACL”) to loans outstanding at 1.24% at September 30, 2024 compared to 1.26% at December 31, 2023
- Efficiency ratio of 62.46%<sup>(1)</sup> as of September 30, 2024 compared to 66.42% September 30, 2023; decrease primarily attributable to the increase in net interest income, reduced expenses and increased non-interest income

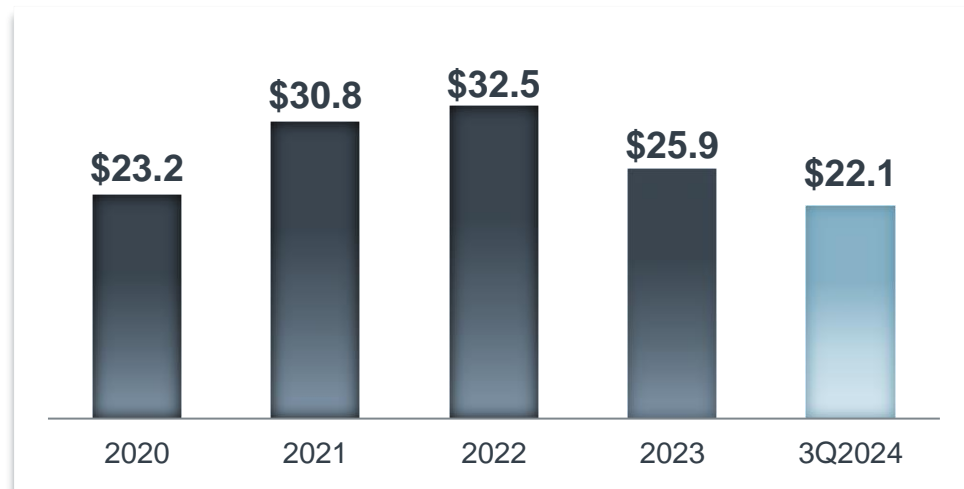
(1) See Appendix for a reconciliation of these non-GAAP financial measure

\* 3Q2024 Annualized

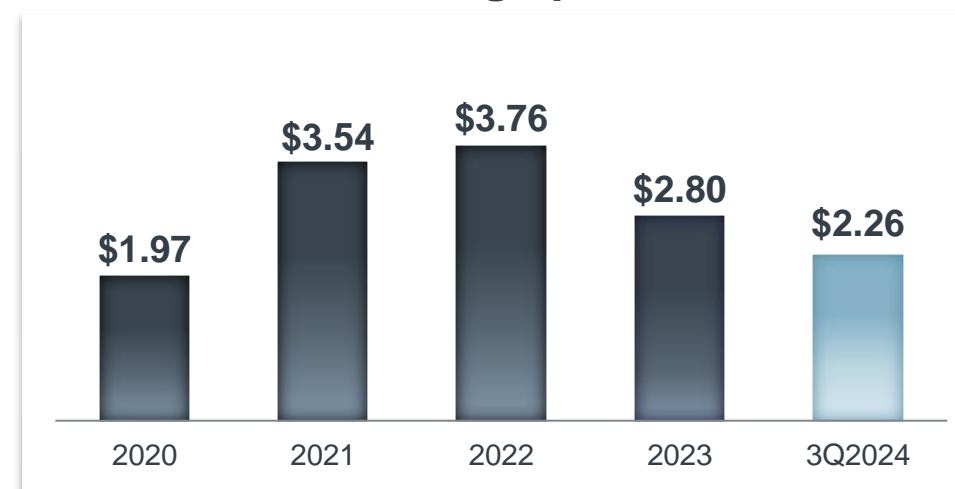
# Long-Term Growth



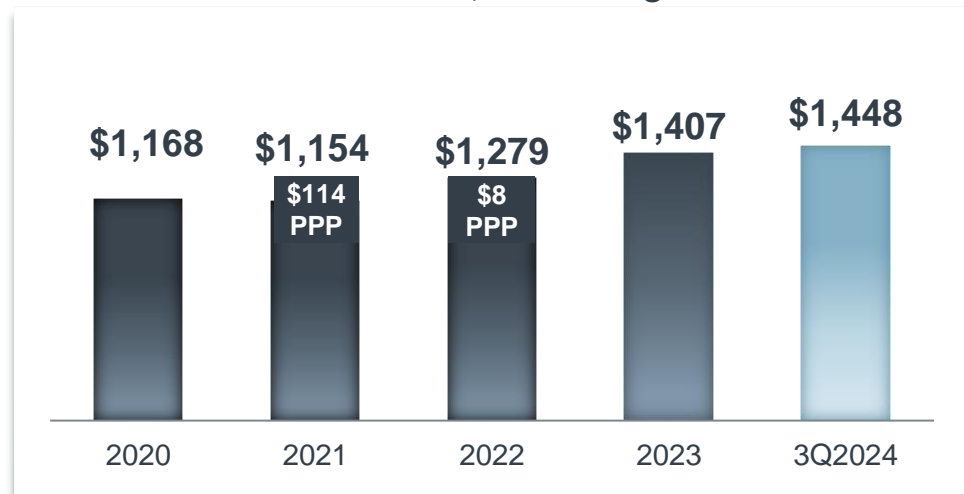
### Pre-Provision Net Revenue (\$ in millions)<sup>(1)</sup>



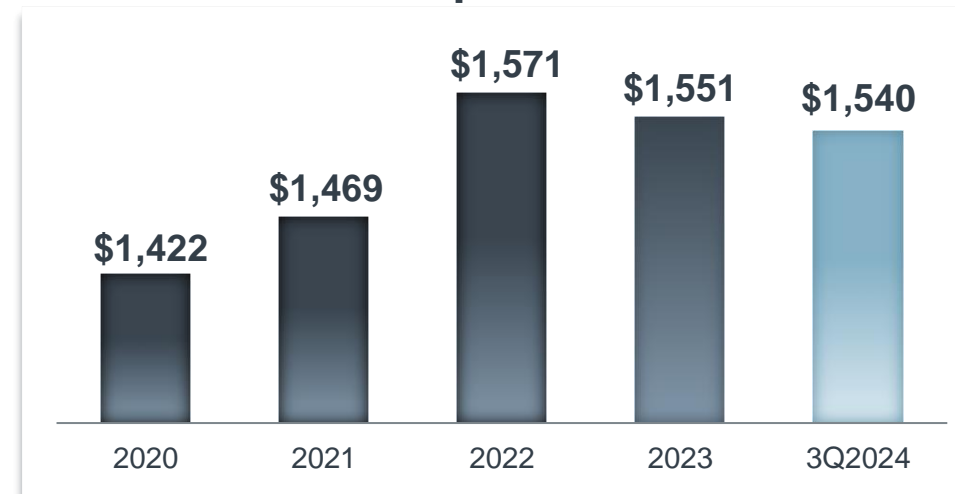
### Diluted Earnings per Share<sup>(1)</sup>



### Total Gross Loans, including PPP (\$ in millions)



### Total Deposits (\$ in millions)

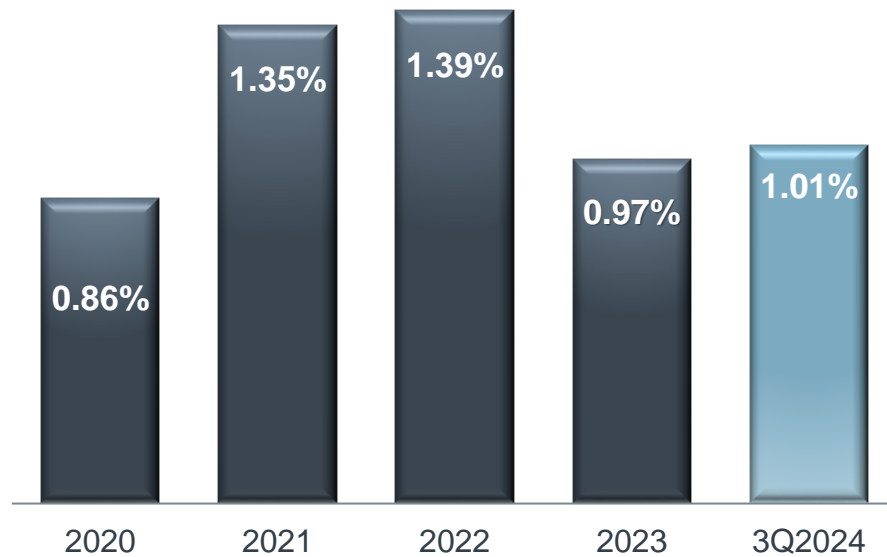


<sup>(1)</sup> See Appendix for a reconciliation of these non-GAAP financial measures

# Solid Profitability

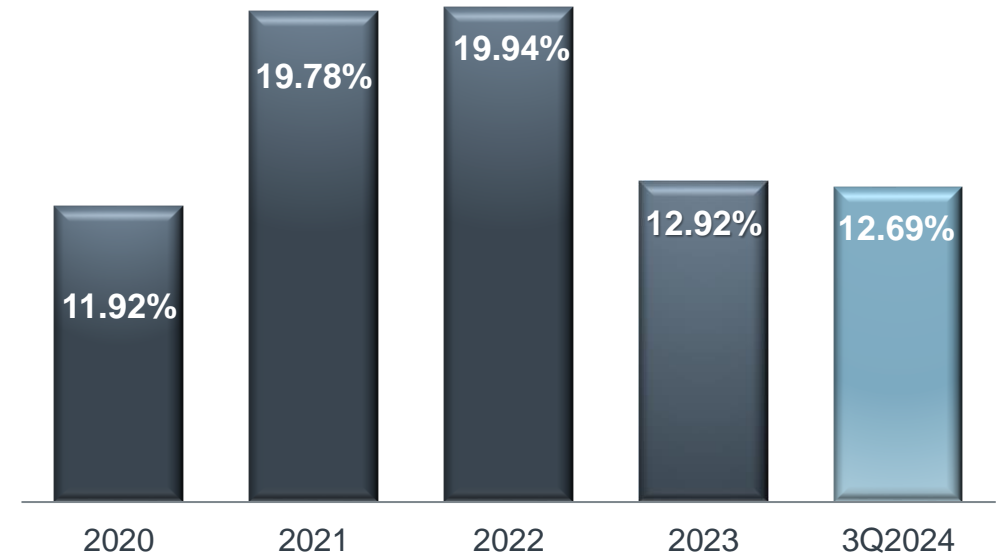


## Core ROAA (non-GAAP<sup>(1)</sup>)



Long-term Strategic Target 1.25% - 1.60%

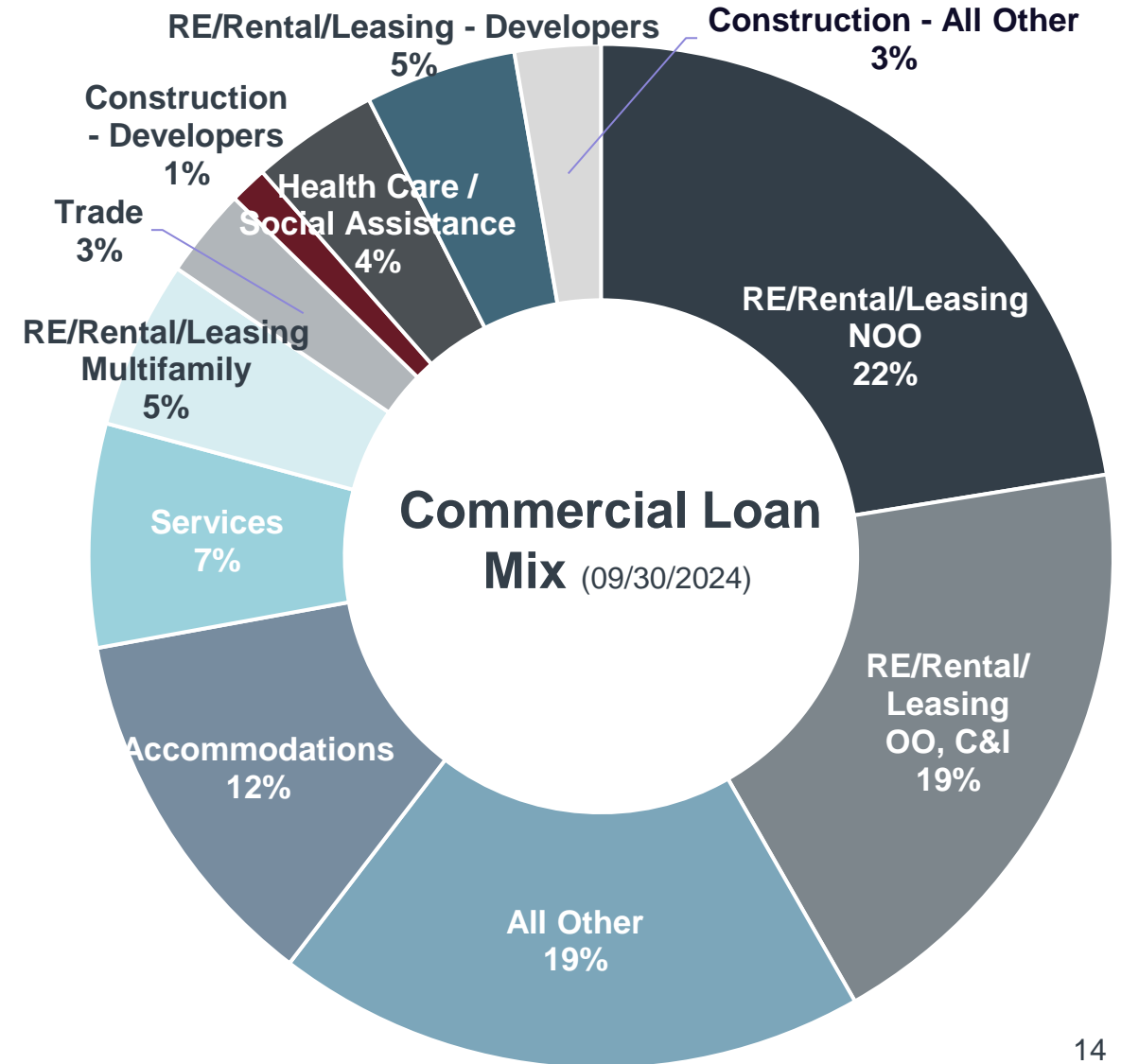
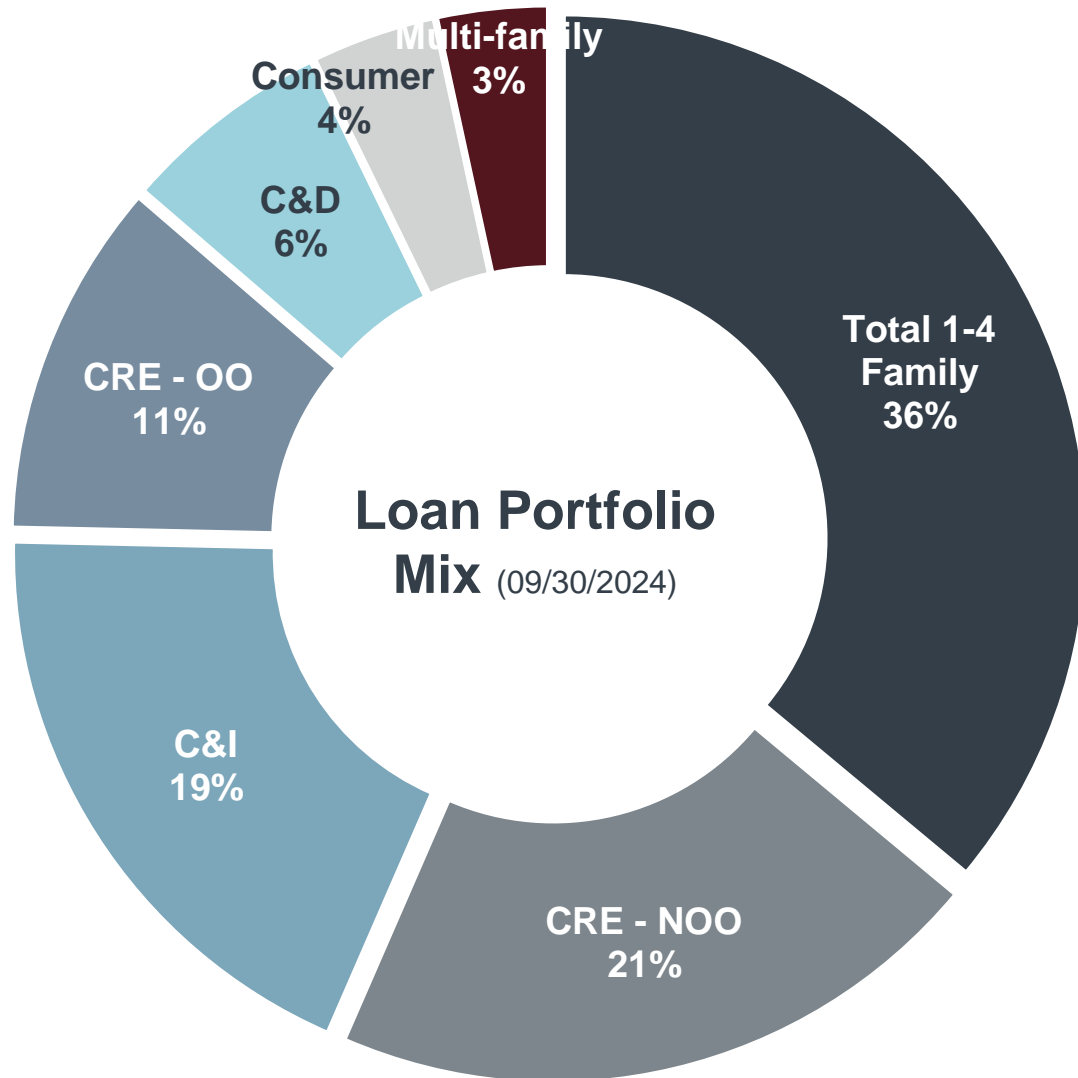
## Core ROATCE (non-GAAP<sup>(1)</sup>)



Long-term Strategic Target 13% - 15%

<sup>(1)</sup> See Appendix for a reconciliation of these non-GAAP financial measures

# Loan Diversification



# Commercial Industry Mix by Origination Year



Commercial Industry Mix by Origination	Prior to 2000	2000 - 2005	2006 - 2010	2011 - 2015	2016 - 2020	2021 - Current	Total
RE / Rental / Leasing - NOO	\$ -	\$ 4,237,633	\$ 832,798	\$ 7,736,621	\$ 73,936,436	\$ 120,156,906	\$ 206,900,392
RE / Rental / Leasing - OO, C&I	10,681	29,466	914,549	8,988,354	47,775,853	120,406,884	178,125,787
RE / Rental / Leasing - Multifamily	-	41,564	2,022,256	9,592,647	14,238,011	23,230,732	49,125,210
RE / Rental / Leasing - Developers	-	48,504	76,198	-	1,869,444	41,823,228	43,817,374
Construction - All Other	38,500	67,247	75,708	1,771,957	5,683,516	17,214,616	24,851,544
Construction - Developers	-	-	2,201,744	75,708	381,297	8,814,639	11,473,387
Accommodations	-	1,420,409	3,661,495	10,554,231	46,939,784	25,904,955	88,480,873
Services	-	2,091,276	369,125	8,743,640	13,834,644	39,731,415	64,770,099
Health Care / Social Assistance	-	-	1,858,371	4,848,386	7,694,077	23,076,254	37,477,089
Trade	-	227,596	146,964	1,356,710	9,172,075	14,896,209	25,799,555
All Other	39,214	286,793	1,011,992	837,757	23,524,181	145,929,394	171,629,332
<b>Totals</b>	<b>\$ 88,395</b>	<b>\$ 8,450,488</b>	<b>\$ 13,171,201</b>	<b>\$ 54,506,012</b>	<b>\$ 245,049,317</b>	<b>\$ 581,185,230</b>	<b>\$ 902,450,643</b>

# Commercial Real Estate



Focus on risk mitigation and managing of concentrations

- CRE / Total Capital: 233%
- ADC / Total Capital: 42%

OFFICE*				CRE - Owner Occupied			CRE - Non-Owner Occupied			Total		
Geography	Note Book Balance	Number of loans	Avg Loan Balance	Note Book Balance	Number of loans	Avg Loan Balance	Note Book Balance	Number of loans	Avg Loan Balance	Note Book Balance	Number of loans	Avg Loan Balance
Central	\$ 10,993,308	33	\$ 333,131	\$ 6,454,763	6	\$ 1,075,794	\$ 17,448,072	39	\$ 447,386	\$ 17,448,072	39	\$ 447,386
East	\$ 5,012,144	13	\$ 385,550	\$ 28,778,842	13	\$ 2,213,757	\$ 33,790,986	26	\$ 1,299,653	\$ 33,790,986	26	\$ 1,299,653
OOM	\$ 78,067	1	\$ 78,067	\$ -	0	\$ -	\$ 78,067	1	\$ 78,067	\$ 78,067	1	\$ 78,067
West	\$ 7,642,809	16	\$ 477,676	\$ 40,069,051	17	\$ 2,357,003	\$ 47,711,861	33	\$ 1,445,814	\$ 47,711,861	33	\$ 1,445,814
<b>Grand Total</b>	<b>\$ 23,726,328</b>	<b>63</b>	<b>\$ 376,608</b>	<b>\$ 75,302,657</b>	<b>36</b>	<b>\$ 2,091,740</b>	<b>\$ 99,028,985</b>	<b>99</b>	<b>\$ 1,000,293</b>	<b>\$ 99,028,985</b>	<b>99</b>	<b>\$ 1,000,293</b>
<b>% of Gross Loans</b>	<b>1.64%</b>			<b>5.20%</b>			<b>6.84%</b>			<b>6.84%</b>		
<b>% of CRE</b>	<b>4.72%</b>			<b>14.98%</b>			<b>19.69%</b>			<b>19.69%</b>		

RETAIL**				CRE - Owner Occupied			CRE - Non-Owner Occupied			Total		
Geography	Note Book Balance	Number of loans	Avg Loan Balance	Note Book Balance	Number of loans	Avg Loan Balance	Note Book Balance	Number of loans	Avg Loan Balance	Note Book Balance	Number of loans	Avg Loan Balance
Central	\$ 9,019,604	19	\$ 474,716	\$ 359,012	3	\$ 119,671	\$ 9,378,616	22	\$ 148,763	\$ 9,378,616	22	\$ 148,763
East	\$ 7,949,473	11	\$ 722,679	\$ 40,383,239	7	\$ 5,769,034	\$ 48,332,713	18	\$ 2,511,626	\$ 48,332,713	18	\$ 2,511,626
OOM	\$ 2,764,429	2	\$ 1,382,214	\$ 15,402,906	4	\$ 3,850,727	\$ 18,167,335	6	\$ 3,651,356	\$ 18,167,335	6	\$ 3,651,356
West	\$ 2,594,406	6	\$ 432,401	\$ 13,048,951	10	\$ 1,304,895	\$ 15,643,356	16	\$ 1,145,259	\$ 15,643,356	16	\$ 1,145,259
<b>Grand Total</b>	<b>\$ 22,327,911</b>	<b>38</b>	<b>\$ 587,577</b>	<b>\$ 69,194,108</b>	<b>24</b>	<b>\$ 2,883,088</b>	<b>\$ 91,522,020</b>	<b>62</b>	<b>\$ 1,476,162</b>	<b>\$ 91,522,020</b>	<b>62</b>	<b>\$ 1,476,162</b>
<b>% of Gross Loans</b>	<b>1.54%</b>			<b>4.78%</b>			<b>6.32%</b>			<b>6.32%</b>		
<b>% of CRE</b>	<b>4.44%</b>			<b>13.76%</b>			<b>18.20%</b>			<b>18.20%</b>		

\* There are no office buildings located in metropolitan markets or over four stories.

\*\* There are no major/big box retail tenants.



# Variable Rate Loans and Repricing



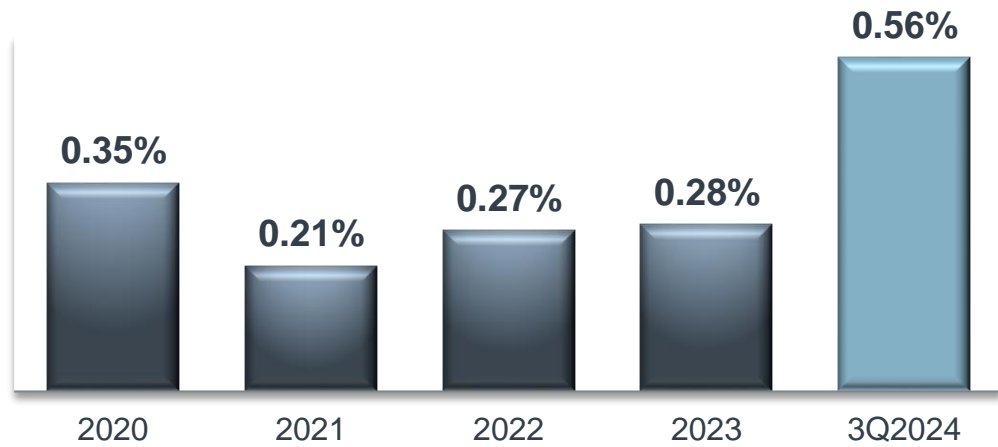
Loan Type	Reprices Monthly	% to Total Type Repricing	Repricing 2024	% to Total Type Repricing	Repricing 2025	% to Total Type Repricing	Repricing 2026 +	% to Total Type Repricing	Grand Total
Commercial Loans	\$ 37,055,518	18.3%	\$ 10,893,889	55.2%	\$ 14,366,060	30.8%	\$ 104,232,906	29.7%	\$ 166,548,374
Commercial Lines of Credit	73,717,766	36.5%	-	0.0%	-	0.0%	402,121	0.1%	74,119,887
Commercial Floor Plans	32,042,458	15.9%	-	0.0%	-	0.0%	-	0.0%	32,042,458
Mortgage	-	0.0%	8,839,689	44.8%	32,236,691	69.2%	246,578,857	70.2%	287,655,237
Home Equity Lines (no Locks)	10,807,348	5.4%	-	0.0%	-	0.0%	-	0.0%	10,807,348
Other Consumer Lines*	48,352,742	23.9%	-	0.0%	-	0.0%	-	0.0%	48,352,742
<b>Totals</b>	<b>\$ 201,975,832</b>	<b>100.0%</b>	<b>\$ 19,733,579</b>	<b>100.0%</b>	<b>\$ 46,602,751</b>	<b>100.0%</b>	<b>\$ 351,213,884</b>	<b>100.0%</b>	<b>\$ 619,526,047</b>

\* Includes personal lines of credit and home equity lines

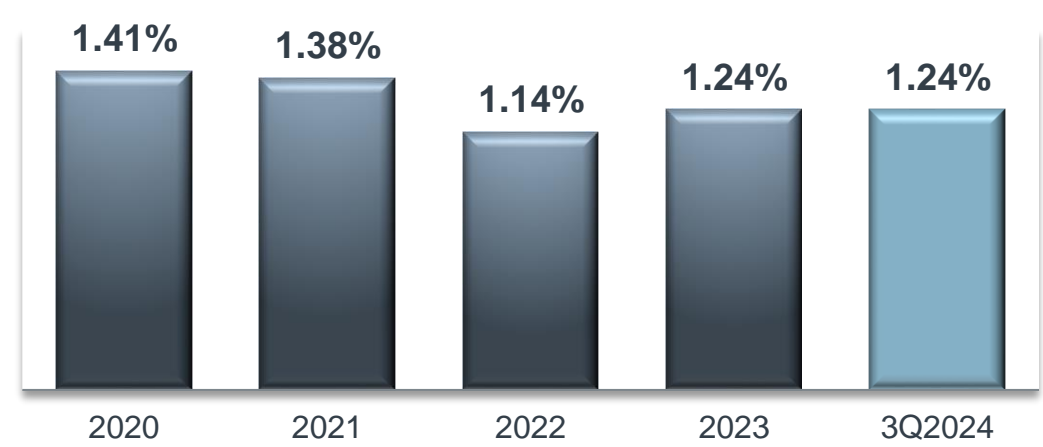
# Credit Quality



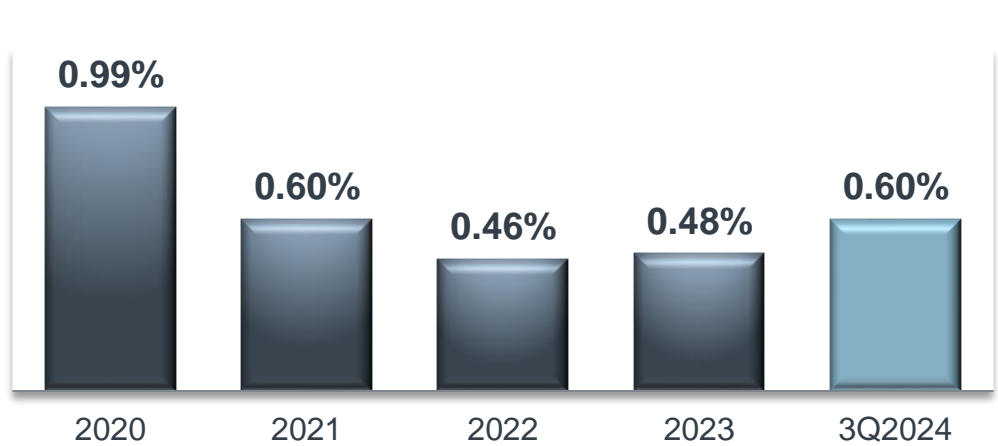
### Nonaccrual Loans / Total Loans



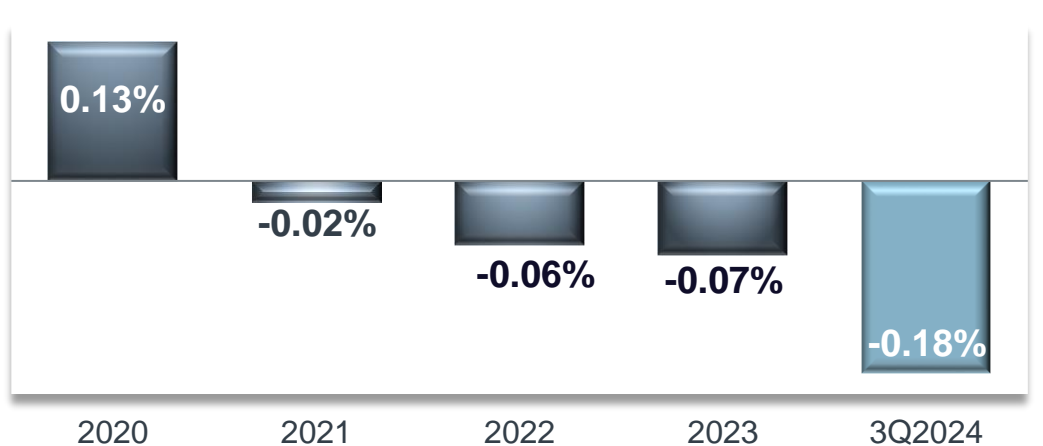
### ALL / ACL Trends



### NPAs / Total Assets



### (Net Charge-Offs)/Average Loans

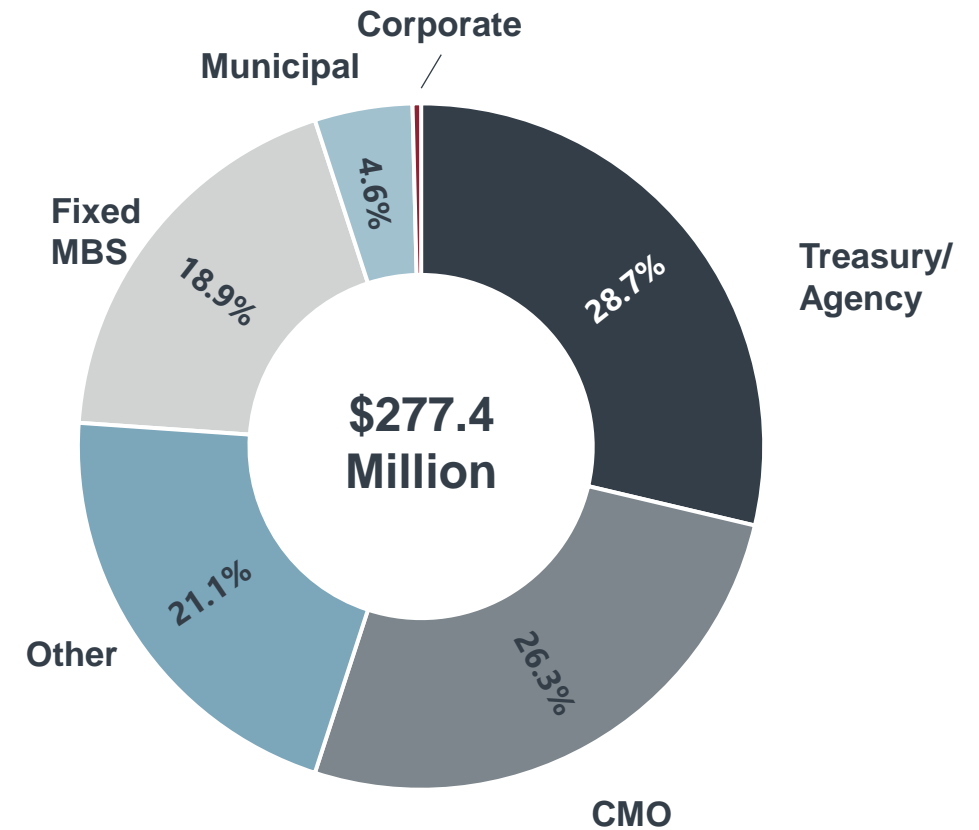


Nonaccrual loans decreased by \$6.6 million in Q2 as compared to Q1 due to repayment of \$5.5 million and a \$1.1 million charge-off on one C&I relationship. 18

# Investment Portfolio



Sector	Par (000s)	Portfolio %	Book Yield	Duration
Treasury/Agency	78,388	28%	2.28%	6.75
Fixed MBS	51,715	19%	2.46%	4.98
CMO	71,902	26%	1.89%	6.42
Municipal	12,645	5%	4.40%	6.40
Corporate	1,000	1%	5.76%	1.90
Other	57,649	21%	1.98%	4.48
<b>TOTAL</b>	<b>\$273,299</b>	<b>100.0</b>	<b>2.26%</b>	<b>5.82</b>



## Base Case Portfolio Total Cashflow

Year	2024	2025	2026	2027	2028	Thereafter
Annual Cashflow (\$000's)	\$8,414	\$26,094	\$30,053	\$32,673	\$17,975	\$142,497

### Ratings:

100% of municipal holdings are rated A or better\*

The Other category above of \$57.6 million includes agency backed multi-family, commercial mortgage-backed securities. Trust Preferred securities are not included in total above.

# Shocked Investment Portfolio



## Unrealized Gains / Losses

Intent	Dn200	Dn100	BaseCase	Up100	Up200	Up300	Up400
AFS	-7,567	-11,173	-14,879	-18,639	-22,365	-26,025	-29,001
HTM	-4,796	-14,722	-24,765	-33,780	-42,761	-51,428	-58,573
Total	-12,363	-25,895	-39,644	-52,419	-65,126	-77,453	-87,574

## Capital Impact

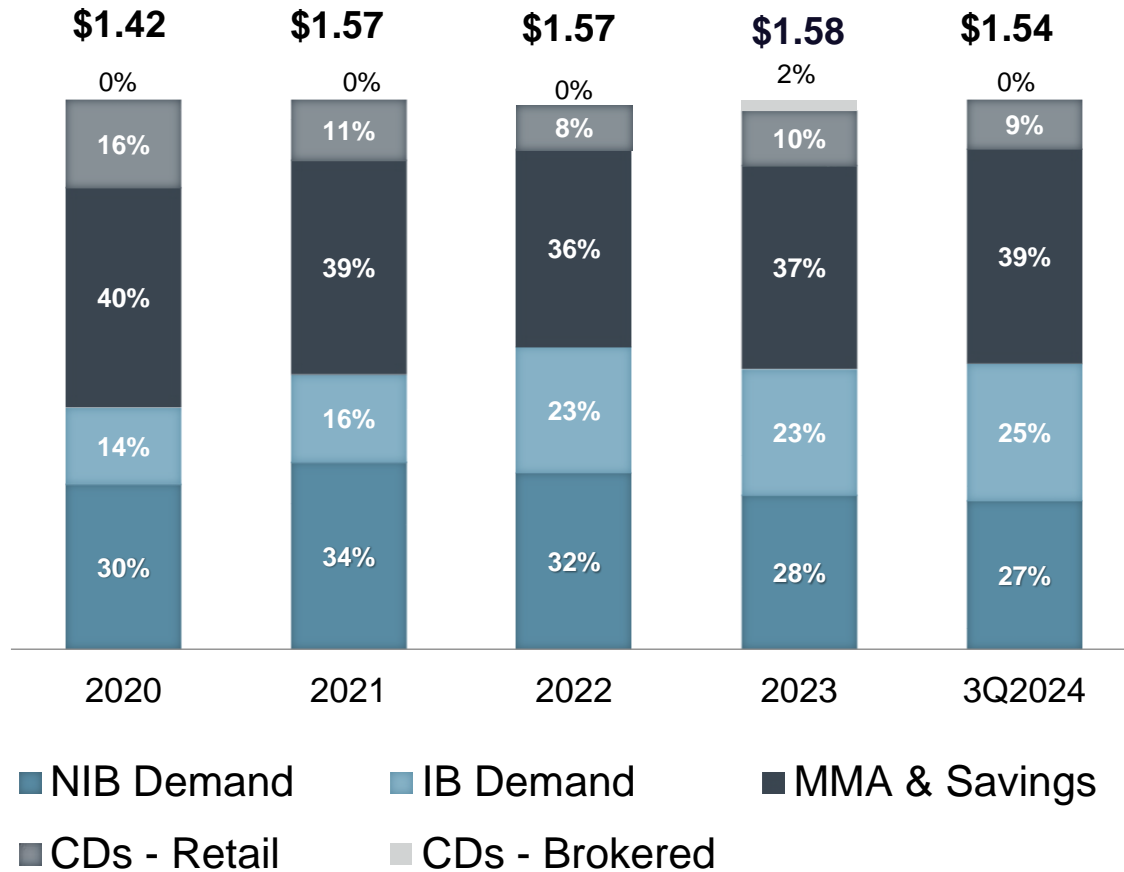
	Corp As Reported	Corp Pro-Forma AFS + HTM Sale	Corp Difference	Bank As Reported	Bank Pro-Forma AFS + HTM Sale	Bank Difference	Federal Reserve Minimum RBC Thresholds	Regulatory Well-Capitalized Thresholds	Corp Excess Above Well-Capitalized (After Proforma Sale)
Tier 1 Capital	225,314	189,826	(35,488)	199,913	164,425	(35,488)			
Total Risk Based Capital (RBC)	244,240	208,502	(35,737)	218,741	182,642	(36,099)			
CET 1 Ratio	12.66%	10.70%	(1.96%)	13.28%	11.29%	(1.99%)	4.50%	6.50%	4.20%
Tier 1 Ratio	14.61%	12.71%	(1.90%)	13.28%	11.29%	(1.99%)	6.00%	8.00%	4.71%
Total RBC Ratio	15.83%	13.96%	(1.87%)	14.53%	12.54%	(1.99%)	8.00%	10.00%	3.96%
Leverage Ratio	11.88%	10.01%	(1.87%)	10.68%	8.78%	(1.90%)	4.00%	5.00%	5.01%

Locally held TIF bonds of \$1.8 million and Trust Preferred securities of \$18.7 million have been excluded from the sale impact

# Deposits



## Deposit Composition (\$ in billions as of 09/30/2024)



Deposit Type	Balance	%
Insured Deposits	\$1,181,065,681	77%
Uninsured – Uncollateralized Deposits	\$286,067,910	18%
Uninsured - Collateralized Deposits	\$73,263,491	5%

Deposit Type	Balance (MMs)	%
Retail Deposits	\$764,128,593	50%
Business Deposits	\$776,268,489	50%

Deposit levels relatively flat due to fierce competition for deposits and recent inflationary spending by consumers, businesses and municipalities.

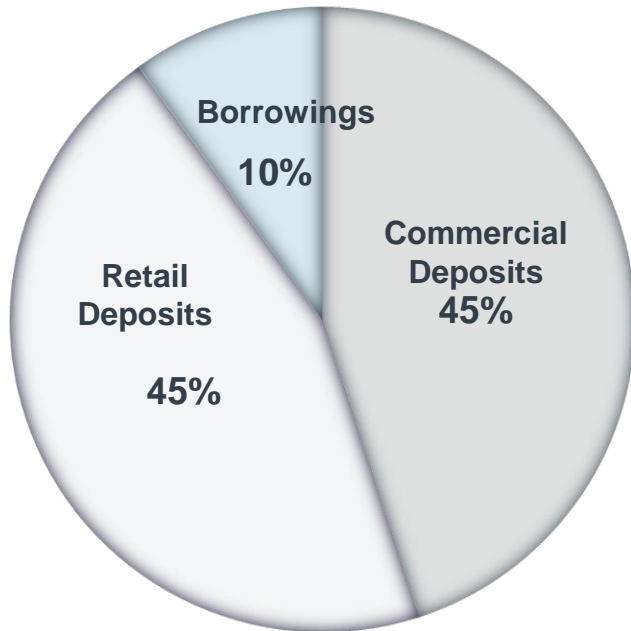
## Loan to Deposit Ratio



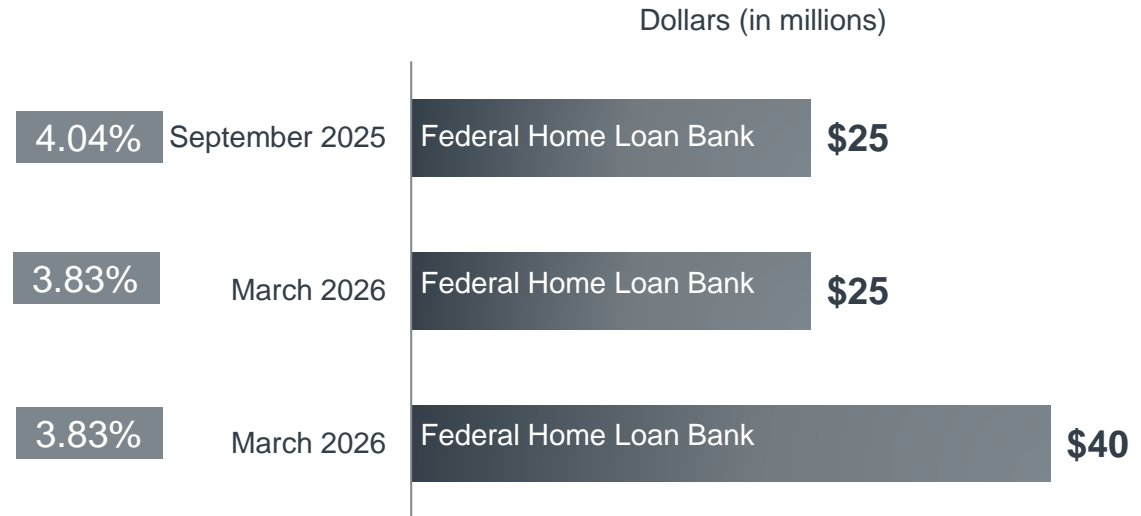
# Funding



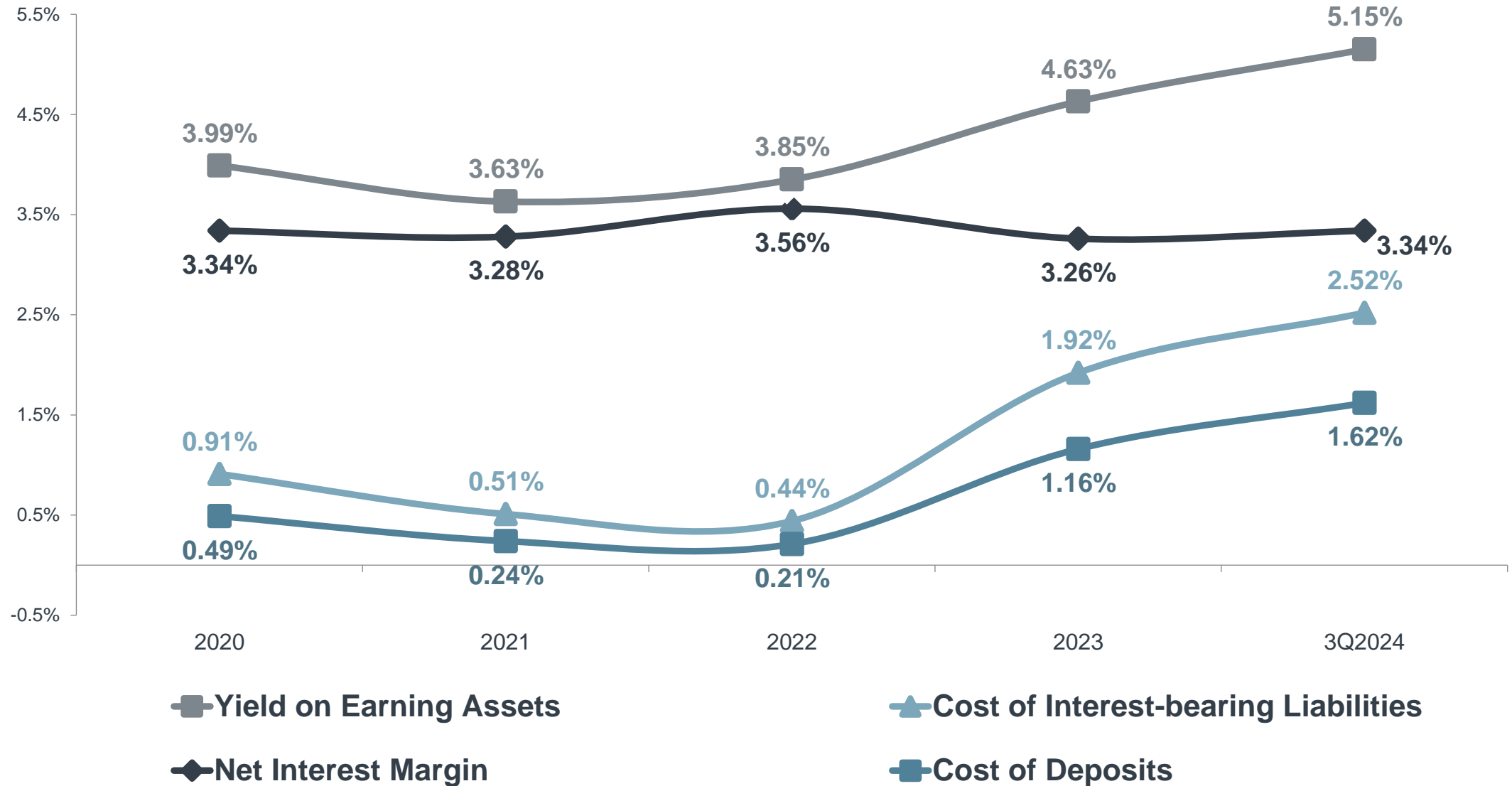
## Funding Mix



## Brokered/Wholesale Maturities



# Net Interest Margin

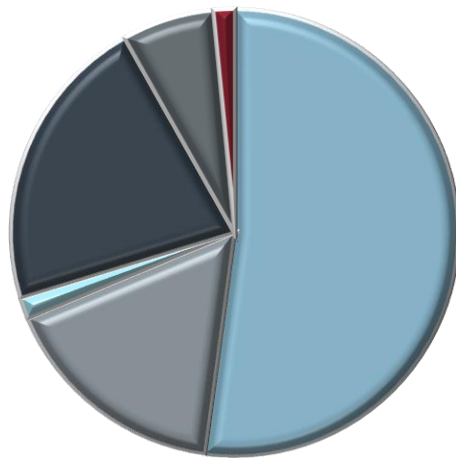


(1) See Appendix for a reconciliation of these non-GAAP financial measures

# Diversified Fee Income



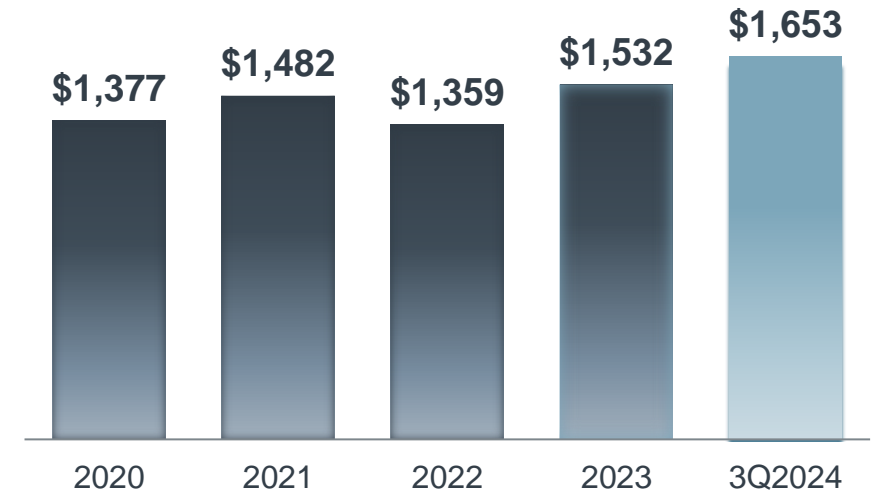
### Non-Interest Income Mix 3Q2024



#### Composition

Trust and Brokerage	53%
Service Charges	17%
Net Gain on Loan Sales	1%
Debit Card Income	22%
Bank-owned Life Insurance	6%
Other Noninterest Income	1%

### Trust & Brokerage Assets Under Management (MMs)



- First United's non-interest income<sup>(1)</sup> comprised 25% of operating revenue as of September 30, 2024
- Fee-based business provides stable growth, and a diversified revenue stream not directly tied to interest rates, as well as opportunities to build client relationships
- First United's diverse array of products provides opportunities to fully engage with customers and produce stable increases to earnings

<sup>(1)</sup> See Appendix for a reconciliation of these non-GAAP financial measures



# Committed to Efficiency & Innovation



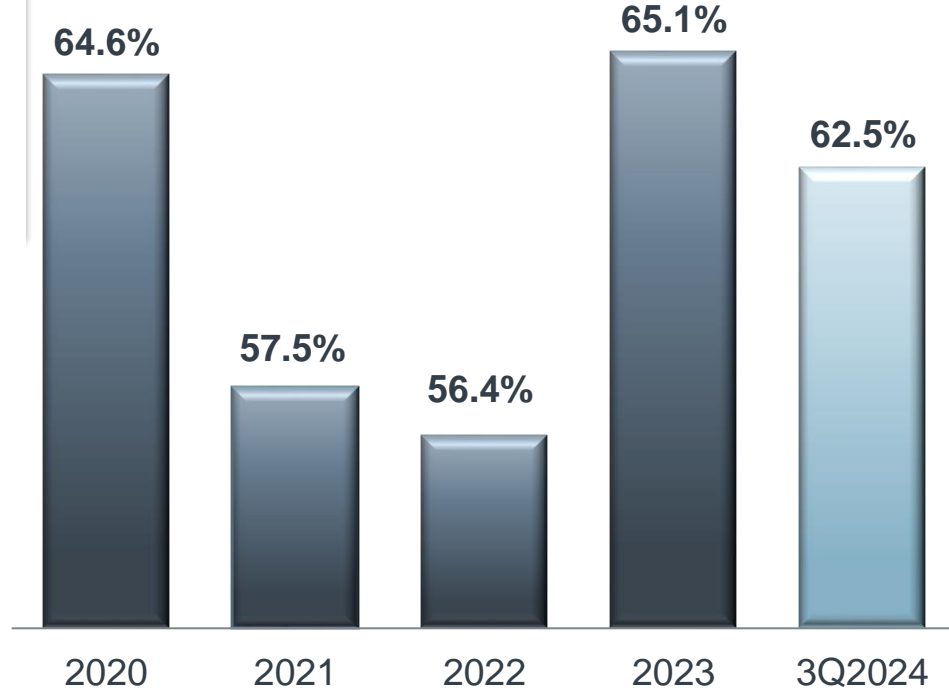
- Efficient operational platforms and fraud protection**
- Mortgage Bot
  - SecureLOCK Premium Debit Card Fraud
  - Credit Insights/ Savvy Money Cross Marketing Tool
  - ProfitStars forecasting model
  - Automated Loan Booking
  - Vericast Consumer Loan Lead Generator
  - Customer Service Center Enhancements
  - U1-Connect Customer Relationship Management Software

- Planned solutions for a seamless and secure client experience:**
- Zelle for Business
  - Online Banking External Transfer
  - New Customer Relationship Management Tool
  - Consumer Online and Mobile Banking Digital Platform Upgrade
  - Business Online and Mobile Banking Digital Platform Upgrade
  - Check Fraud Prevention Solution

- FinTech Investments**
- Provision IAM
  - FinTech Funds



**Efficiency Ratio (1)**  
Strategic Target 53% - 58%



Decrease in first nine months of 2024 due primarily to increased net interest income related to loans repricing to higher rates, controlled expenses and increased non-interest income related to wealth.

(1) See Appendix for a reconciliation of these non-GAAP financial measures

# Liquidity Position



Liquidity Sources (09/30/2024)	Amount Available (\$ in thousands)	Amount Used (\$ in thousands)	Net Availability (\$ in thousands)
<b>Internal Sources</b>			
Excess Cash	\$40,486		\$40,486
Unpledged Securities (BV)	\$31,876		\$31,876
<b>External Sources</b>			
Federal Reserve (Discount Window)	\$83,998	\$29,000	\$54,998
Correspondent Unsecured Lines of Credit	\$140,000		\$140,000
FHLB	\$251,006	\$92,914	\$158,092
Bank Term Funding Program	\$0	\$0	\$0
<b>Total Funding Sources</b>	<b>\$547,366</b>	<b>\$121,914</b>	<b>\$425,452</b>

# Interest Rate Risk



## Management Outlook & Strategy

### Interest Rate Risk Sensitivity

- The Bank's interest rate risk position is stress tested under three interest rate ramp scenarios to determine the impact on net interest income, net income and capital under dynamic and static balance sheet conditions.
- The Bank's net interest income position at a slightly asset sensitive position.
- The Bank's largest risk from an interest rate risk perspective is falling rate scenarios.
- Assumptions regarding offering rates, loan and investment prepayment speeds, beta and decay rates are reviewed and adjusted on a quarterly basis.

- Disciplined loan pricing
- Manage deposit pricing on relationship and exception basis
- Deposit acquisition through short-term CD promotions and adjustable-rate money market products for businesses, municipalities and consumers
- Actively reducing deposit rates concurrent with market adjustments
- \$25 million FHLB advance maturing in September 2025
- \$25 million FHLB advance maturing in March 2026
- \$40 million FHLB advance maturing in March 2026

### 12 Month Sensitivity Shock

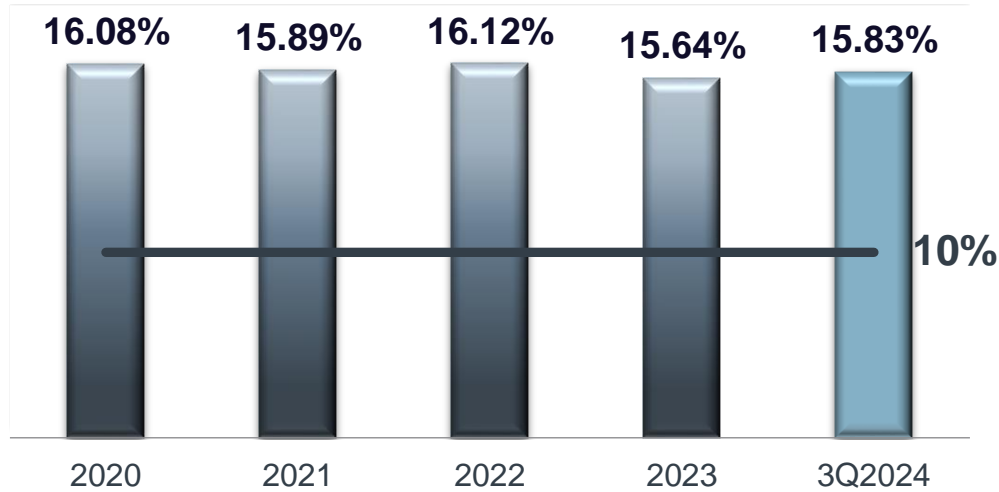
	-400	-300	-200	-100	Flat	+100	+200	+300	+400
<b>Net Interest Income (09/30/24)</b>	(15.6%)	(11.9%)	(7.7%)	(3.8%)		3.7%	6.3%	7.5%	7.4%
<b>Net Interest Income (06/30/24)</b>	(12.8%)	(8.9%)	(6.0%)	(2.9%)		2.7%	4.4%	4.8%	4.1%
<b>EVE (06/30/24)</b>	(9.7%)	(3.1%)	1.0%	1.8%		(3.8%)	(10.1%)	(15.5%)	(21.8%)

(1) Standard Model Assumptions

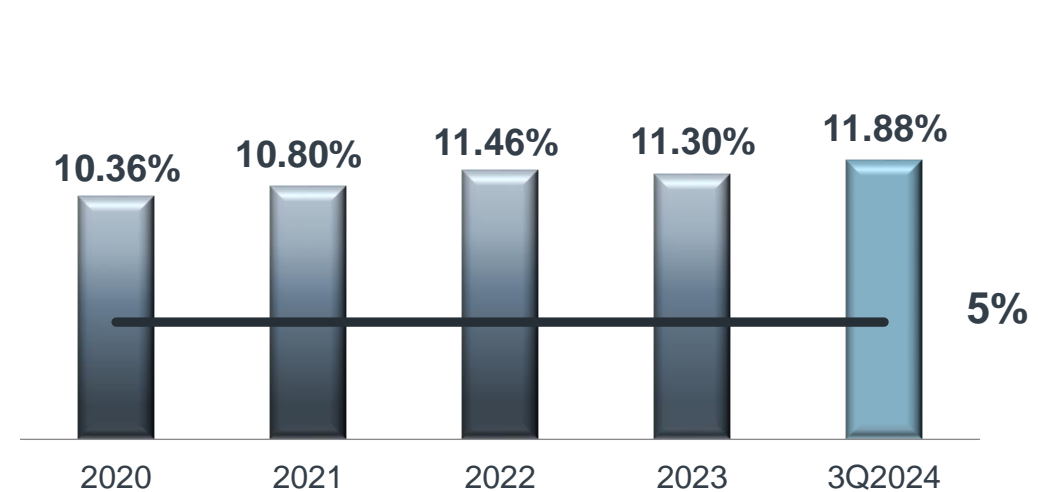
# Capital Management



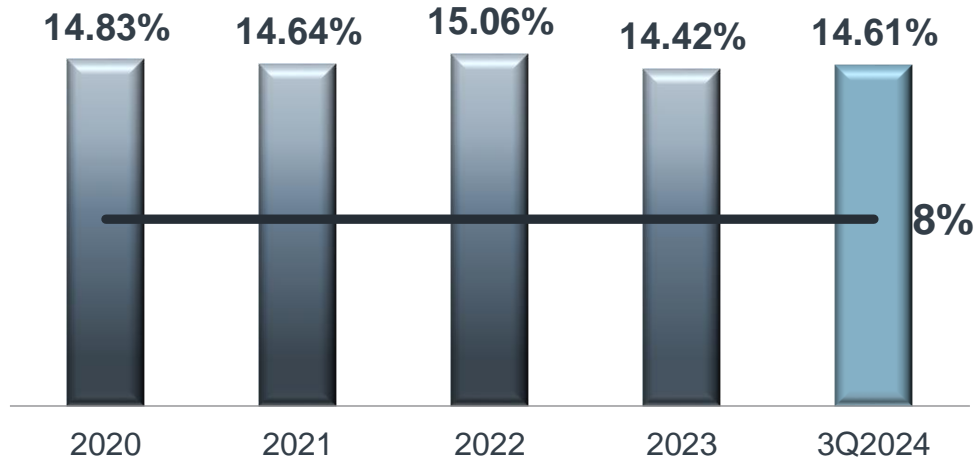
### Total Risk-Based Capital Ratio



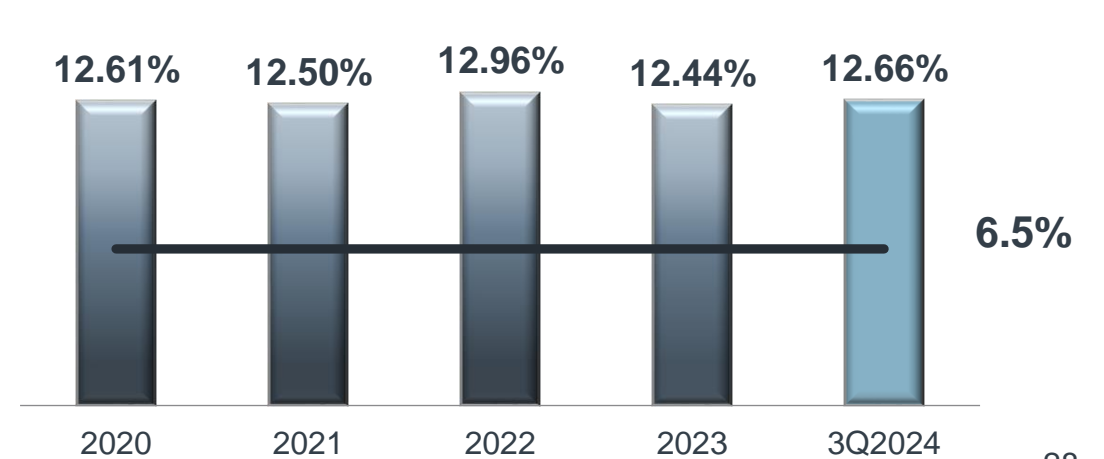
### Leverage Ratio



### Tier 1 Ratio

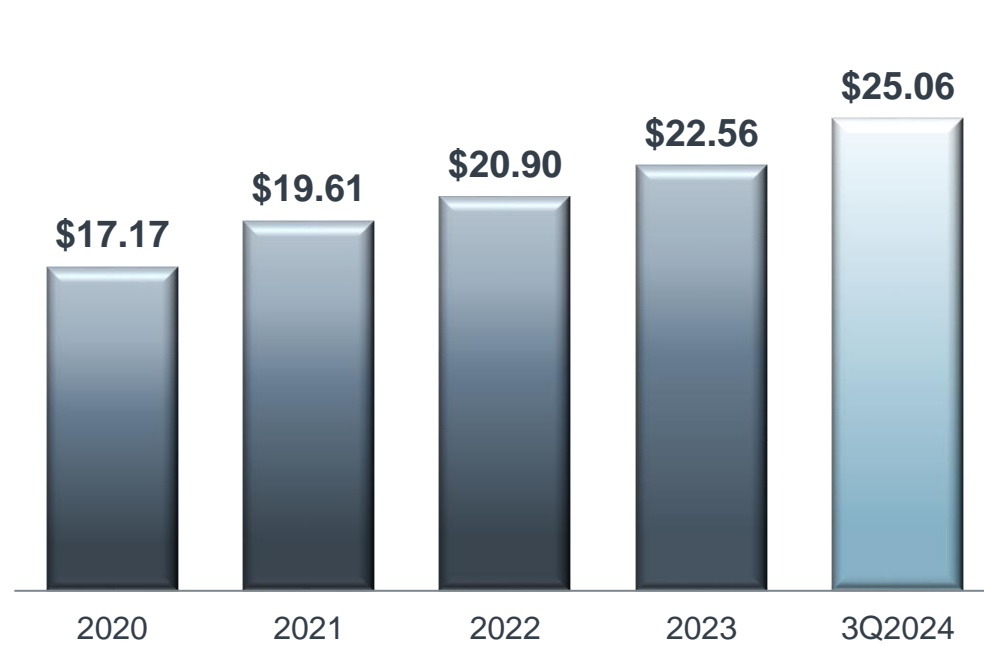


### CET1 Ratio

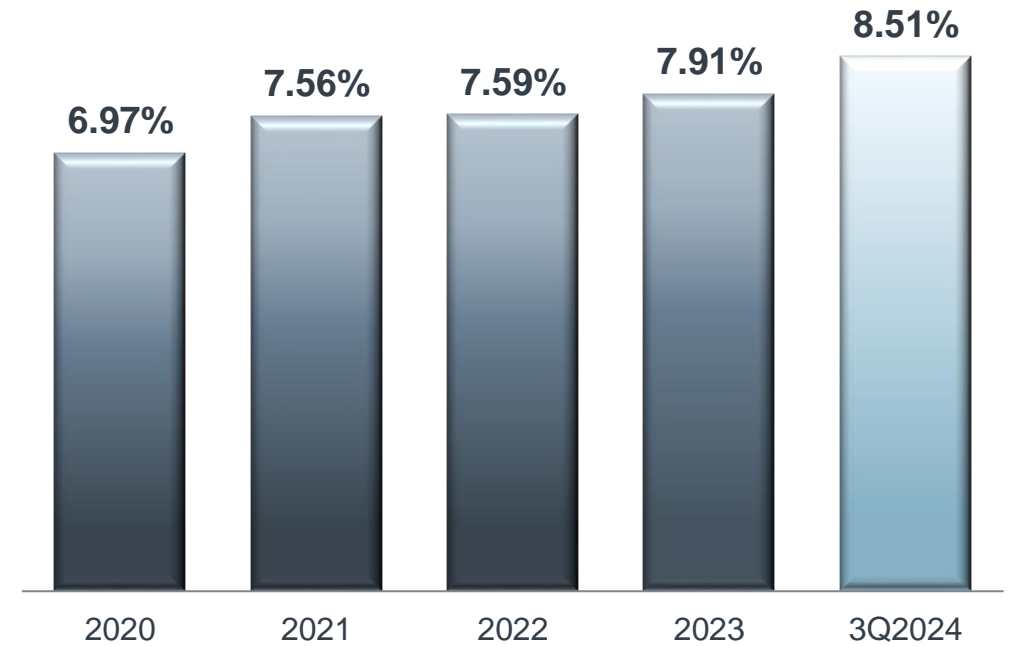


— Regulatory Well-Capitalized

# Capital Management



**Tangible Book Value / Share**



**TCE Ratio**

# Strategic Targets



	Metric	Actual 12/31/2022	Actual 12/31/2023	Non-GAAP 12/31/2023	Long Term Strategic Target Range (*)
<b>Strong Shareholder Return</b>	EPS Growth (YoY)	27%	-40%	-26% <sup>(1)</sup>	8% - 12%
	Dividend Payout Ratio	15.9%	34.6%	34.6%	20% - 25%
	ROAA	1.39%	0.78%	0.97% <sup>(1)</sup>	1.25% - 1.60%
	ROATCE	19.94%	10.51%	12.92% <sup>(1)</sup>	13% - 15%
	TCE Ratio	7.59%	7.91%	7.91%	8% - 10%
<b>High Quality, Diversified Revenue Stream</b>	Revenue Growth (YoY)	3.3%	0.0%	0.0%	6% - 8%
	Non-Int Inc / Revenue	23.7%	24.8%	24.8%	21% - 23%
	NIM	3.56%	3.26%	3.26%	3.5% - 3.8%
<b>Balance Sheet Growth</b>	% Loan Growth	10.9%	9.9%	9.9%	7% - 10%
	Loans / Assets	69%	74%	74%	70% - 76%
	Loans / Deposits	81%	91%	91%	85% - 90%
<b>Highly Efficient Operations</b>	Efficiency Ratio (adjusted for non-core items)	56.4%	65.1% <sup>(1)</sup>	65.1% <sup>(1)</sup>	53% - 58%
<b>Robust Risk Enterprise Management</b>	NPLs / Loans	0.30%	0.32%	0.32%	0.50% - 1.00%
	Net Charge Offs / Avg. Total Loans	-0.06%	-0.07%	-0.07%	0.10% - 0.50%

<sup>(\*)</sup> Targets reviewed on an annual basis – Revised July 2024

<sup>(1)</sup> See Appendix for a reconciliation of these non-GAAP financial measures

# Strong Investor Relations & Shareholder Engagement



- ✓ **Investor presentations and periodic outreach to institutional and retail shareholders**
- ✓ **Investor conferences and prospective investor engagement**
- ✓ **Clear long-term strategic plan with performance targets**
- ✓ **Dedicated Investor Relations contact**

Members of the Board and senior management routinely engage with shareholders and other stakeholders, and management regularly updates the Board in the context of ongoing investor discussions. These engagements help the Board and management gather feedback on a variety of topics, including strategic and financial performance, ESG disclosure, executive compensation, Board composition, and leadership structure.

How to contact your Board: Shareholders and interested parties wishing to contact our Board may send a letter to First United Corporation Board of Directors, c/o Tonya K. Sturm, Secretary, First United Corporation, 19 South Second Street, Oakland, Maryland, 21550-0009 or by e-mail at [tsturm@mybank.com](mailto:tsturm@mybank.com). The Secretary will deliver all shareholder communications directly to the Board for consideration.

# Appendices

U1

- I. Management Team Pg. 33
- II. Board of Directors Pg. 34
- III. ESG Journey & Statistics Pg. 37
- IV. Non-GAAP Reconciliation Pg. 39





**Carissa L. Rodeheaver**

**Chairman of the Board, President & CEO**

33+ years career with First United with in-depth industry, wealth management, financial and operational experience



**R.L. Fisher**

**SVP & Chief Revenue Officer**

25+years with in-depth industry, retail, commercial and mortgage banking experience



**Julie W. Peterson**

**SVP & Chief Credit Officer**

30+ years with in-depth industry, commercial banking, and credit experience



**Jason B. Rush**

**SVP & Chief Operating Officer**

30+ years with in-depth industry, retail, risk and compliance and operations experience



**Keith R. Sanders**

**SVP & Chief Wealth Officer**

30+ years specializing in wealth management, estate planning, trust administration and financial planning



**Tonya K. Sturm**

**SVP & Chief Financial Officer, Corp. Secretary & Treasurer**

35+ years of banking, audit, credit, retail, risk and compliance and financial and operational experience

**Management Team**



Our leadership team reflects the diversity of thought from the communities we serve, executes on our strategy and drives shareholder returns.



**Carissa L. Rodeheaver**  
 Chairman of the Board, President & CEO  
 First United Corporation and  
 First United Bank & Trust



**Brian Boal**  
 Lead Independent  
 Director,  
 Nomination & Governance Chair  
 Boal & Associates, PC



**John F. Barr**  
 Independent Director  
 Chairman of the Board,  
 Ellsworth Electric, Inc.



**Sanu Chadha**  
 Independent Director  
 Managing Partner,  
 M&S Consulting



**Christy DiPietro**  
 Independent Director,  
 Audit Chair  
 Chartered Financial Analyst,  
 Hidden Cove Advisory



**Kevin Hessler**  
 Independent Director,  
 Principal, LSWG, Inc.



**Marisa Shockley**  
 Independent Director,  
 Compensation Chair  
 Retired



**Patricia Milon**  
 Independent Director  
 Principal,  
 Milford Advisory Group, LLC



**Beth E. Moran**  
 Independent Director,  
 The Law Offices of Beth E. Moran



**I. Robert Rudy**  
 Independent Director  
 President, I.R. Rudy's, Inc.



**H. Andrew Walls, III**  
 Independent Director  
 President, MPB Print & Sign Superstore  
 Member, MEGBA, LLC

## Board of Directors



# Board of Directors



## Thoughtful Evaluation and Evolution

Our Nominating and Governance Committee is responsible for determining directorship criteria, identifying and evaluating candidates for the Board, and regularly assessing the Board's governance practices.

- ✓ Annual Committee and Self-Evaluations
- ✓ Policy to interview a diverse slate of candidates
- ✓ Balanced Tenure, with four directors added in the past four years
- ✓ 100% Independent Board Committees
- ✓ Retirement policy, at the age of 75
- ✓ Majority Voting Standard for Director Elections
- ✓ Routine shareholder & stakeholder engagement

## Director Diversity

Our Board is comprised of a diverse group of directors who bring a variety of perspectives, experience, and characteristics to First United.

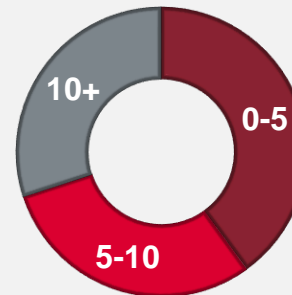


of our directors are gender and/or racially diverse

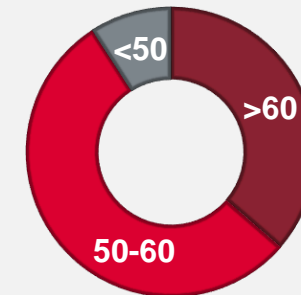


of our directors are independent

### TENURE



### AGE



# Board of Directors



Director Skills Matrix											
	Barr	Boal <sup>1</sup>	Chadha	DiPietro <sup>1</sup>	Hessler <sup>1</sup>	Milon	Moran	Rodeheaver	Rudy	Shockley <sup>1</sup>	Walls
Executive Leadership	✓		✓		✓	✓		✓	✓	✓	✓
Public Company Board Experience						✓	✓	✓			
Information Technology			✓			✓					
Financial Services/ Banking		✓		✓	✓	✓		✓			✓
Asset Management				✓	✓	✓		✓			
Brokerage/ Investment Banking				✓		✓		✓			
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting/Finance		✓		✓	✓			✓		✓	
Regulatory					✓	✓	✓	✓			
Risk Management	✓	✓	✓	✓		✓		✓	✓		✓
Legal Expertise						✓	✓				
Governance	✓				✓	✓		✓	✓	✓	✓
Board Tenure and Age											
Tenure	10	10	3	3	.5	4	1	11	31	10	18
Age	70	51	47	62	67	61	60	58	71	59	63

The First United board of directors brings a diverse range of skills, experiences, and backgrounds to the work of overseeing risk and strategy. With experience in fields such as banking, government, accounting, investing, project management, technology, and a range of local entrepreneurial businesses, they apply these diverse backgrounds to their work on behalf of our shareholders.

<sup>1</sup>Qualifies as a Financial Expert for proxy purposes.

# Continuous Progress



## Compensation

- ✓ Enhanced structure to more strongly align pay and performance

## ESG

- ✓ Enhanced Board oversight of Environment & Social issues
- ✓ Enhanced Disclosure on Environment & Social issues
- ✓ Continued progress on FUNC ESG strategy

## Governance

- ✓ Adopted right to call a special meeting.
- ✓ Adopted mandatory director retirement policy
- ✓ Adopted plurality voting standard for contested director elections
- ✓ Enhanced shareholder engagement program
- ✓ Modernized NGC Charter
- ✓ Adopted a diversity policy for director refreshment
- ✓ Formalized LID role & responsibilities
- ✓ Revised stock ownership guidelines for Directors and Executives
- ✓ Declassified the Board of Directors Adopted Proxy Access
- ✓ Shareholder access to change By-laws
- ✓ Management majority vote proposal received strong shareholder support (albeit short of super-majority threshold needed)
- ✓ Ongoing Board refreshment

We continue to advance our ESG profile over time, recognizing the importance of our key stakeholders – including our customers and our communities – to our business. Over the past few years, we have implemented several important enhancements to align our ESG profile with our long-term investors' expectations for best-in-class corporate governance.

# ESG at First United



## Environmental

- LED lighting installed throughout branch network and operations center
- Recycling, focus on reduced printing (65% reduction since pre-COVID)
- Leveraging virtual meeting opportunities to reduce travel footprint
- 46% of deposit customers and 11% of loan customers enrolled in electronic statements
- 15 tons of paper securely shredded and recycled, 1,800 pounds of electronics and computers and 500 pounds of toner cartridges recycled

## Social

- Created Diversity Engagement team, led by our newly appointed Director of Diversity and Engagement
- Developed a formal workforce Diversity and Inclusion Policy
- Formalized a policy requiring a diverse slate of candidates for each future open board seat
- First United Community Dreams Foundation supporting financial literacy, education, affordable housing and neighborhoods
- Formed a Veteran Employee Resource Group and hold an annual Veterans Day Celebration
- Formalized a paid time off policy for community volunteerism

## Governance

- Adopting best-in-class governance practices and shareholder rights
- Recent Enhancements – Board refreshment, Board declassification, Proxy access and Shareholder access to change By-laws
- Future Enhancements under consideration- Majority Voting Standard





# Non-GAAP Reconciliation



This presentation includes certain non-GAAP financial measures, including pre-provision net revenue, net income, earnings per share (basic and diluted), return on average assets, return on average tangible common equity, tangible common equity, tangible assets, the ratio of tangible common equity to tangible assets, tangible book value per share, net interest margin, and efficiency ratio. These non-GAAP financial measures and any other non-GAAP financial measures that are discussed in this presentation should not be considered in isolation, and should be considered as additions to, and not substitutes for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company's non-GAAP financial measures as tools for comparison. The following is a reconciliation of the non-GAAP financial measures used in (or conveyed orally during) this presentation to their most directly comparable GAAP financial measures.

(\$000s, except where otherwise noted)													YTD
	2020	2021	2022	2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	9/30/2024	
<b>Pre-Provision Net Revenue ("PPNR")</b>													
Pre-tax income, as reported	\$ 17,788	\$ 26,309	\$ 33,181	\$ 19,476	\$ 5,730	\$ 5,837	\$ 5,834	\$ 2,075	\$ 4,860	\$ 6,521	\$ 7,703	\$ 19,084	
Add back: Provision expense	5,401	(817)	(643)	1,619	543	394	263	419	946	1,192	266	2,404	
Add back: FHLB penalty, gross	-	2,368	-	-	-	-	-	-	-	-	-	-	
Add back: Contribution	-	1,000	-	-	-	-	-	-	-	-	-	-	
Add back: Insurance reimbursement	-	(1,375)	-	-	-	-	-	-	-	-	-	-	
Add back: Settlement expense, gross	-	3,300	-	-	-	-	-	-	-	-	-	-	
Add back: Securities loss	-	-	-	4,214	-	-	-	4,214	-	-	-	-	
Add back: Branch closure expenses	-	-	-	623	-	-	-	623	562	-	-	562	
<b>Pre-Provision Net Revenue, as adjusted</b>	<b>\$ 23,189</b>	<b>\$ 30,785</b>	<b>\$ 32,538</b>	<b>\$ 25,932</b>	<b>\$ 6,273</b>	<b>\$ 6,231</b>	<b>\$ 6,097</b>	<b>\$ 7,331</b>	<b>\$ 6,368</b>	<b>\$ 7,713</b>	<b>\$ 7,969</b>	<b>\$ 22,050</b>	
<b>Net Income</b>													
Net income, as reported	\$ 13,841	\$ 19,770	\$ 25,048	\$ 15,060	\$ 4,375	\$ 4,414	\$ 4,513	\$ 1,758	\$ 3,698	\$ 4,914	\$ 5,770	\$ 14,382	
Less: Preferred stock dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Net income, available to common shareholders, as reported (a)	\$ 13,841	\$ 19,770	\$ 25,048	\$ 15,060	\$ 4,375	\$ 4,414	\$ 4,513	\$ 1,758	\$ 3,698	\$ 4,914	\$ 5,770	\$ 14,382	
Add back: FHLB penalty, net of tax	-	1,790	-	-	-	-	-	-	-	-	-	-	
Add back: Contribution, net of tax	-	770	-	-	-	-	-	-	-	-	-	-	
Add back: Insurance reimbursement, net of tax	-	(1,059)	-	-	-	-	-	-	-	-	-	-	
Add back: Settlement expense, net of tax	-	2,565	-	-	-	-	-	-	-	-	-	-	
Add back: Securities loss	-	-	-	3,259	-	-	-	3,259	-	-	-	-	
Add back: Branch closure expenses	-	-	-	482	-	-	-	482	425	-	-	425	
<b>Net income, as adjusted (b)</b>	<b>\$ 13,841</b>	<b>\$ 23,836</b>	<b>\$ 25,048</b>	<b>\$ 18,801</b>	<b>\$ 4,375</b>	<b>\$ 4,414</b>	<b>\$ 4,513</b>	<b>\$ 5,499</b>	<b>\$ 4,123</b>	<b>\$ 4,914</b>	<b>\$ 5,770</b>	<b>\$ 14,807</b>	

# Non-GAAP Reconciliation, continued



(\$000s, except where otherwise noted)												YTD
	2020	2021	2022	2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	9/30/2024
Weighted Average Common shares - basic (actual) (d)	7,003,955	6,710,463	6,649,740	6,685,676	6,675,181	6,703,805	6,714,267	6,649,493	6,643,898	6,526,553	6,467,597	6,546,016
Weighted Average Common shares - diluted (actual) (e)	7,013,164	6,716,587	6,661,055	6,701,243	6,697,102	6,717,527	6,727,579	6,662,765	6,655,637	6,536,546	6,481,620	6,557,934
<b>Earnings Per Share - Basic</b>												
Earnings Per Share - Basic, as reported (a)/(d)	\$ 1.98	\$ 2.95	\$ 3.77	\$ 2.25	\$ 0.66	\$ 0.66	\$ 0.67	\$ 0.26	\$ 0.56	\$ 0.75	\$ 0.89	\$ 2.20
Add back: FHLB penalty, net of tax	-	0.27	-	-	-	-	-	-	-	-	-	-
Add back: Contribution, net of tax	-	0.12	-	-	-	-	-	-	-	-	-	-
Add back: Insurance reimbursement, net of tax	-	(0.16)	-	-	-	-	-	-	-	-	-	-
Add back: Settlement expense, net of tax	-	0.37	-	-	-	-	-	-	-	-	-	-
Add back: Securities loss	-	-	-	0.49	-	-	-	0.49	-	-	-	-
Add back: Branch closure expenses	-	-	-	0.07	-	-	-	0.07	0.06	-	-	0.06
<b>Earnings Per Share - Basic, as adjusted (b)/(d)</b>	<b>\$ 1.98</b>	<b>\$ 3.54</b>	<b>\$ 3.77</b>	<b>\$ 2.81</b>	<b>\$ 0.66</b>	<b>\$ 0.66</b>	<b>\$ 0.67</b>	<b>\$ 0.82</b>	<b>\$ 0.62</b>	<b>\$ 0.75</b>	<b>\$ 0.89</b>	<b>\$ 2.26</b>
<b>Earnings Per Share - Diluted</b>												
Earnings Per Share - Diluted, as reported (a)/(e)	\$ 1.97	\$ 2.95	\$ 3.76	\$ 2.24	\$ 0.65	\$ 0.66	\$ 0.67	\$ 0.26	\$ 0.56	\$ 0.75	\$ 0.89	\$ 2.20
Add back: FHLB penalty, net of tax	-	0.27	-	-	-	-	-	-	-	-	-	-
Add back: Contribution, net of tax	-	0.12	-	-	-	-	-	-	-	-	-	-
Add back: Insurance reimbursement, net of tax	-	(0.16)	-	-	-	-	-	-	-	-	-	-
Add back: Settlement expense, net of tax	-	0.37	-	-	-	-	-	-	-	-	-	-
Add back: Securities loss	-	-	-	0.49	-	-	-	0.49	-	-	-	-
Add back: Branch closure expenses	-	-	-	0.07	-	-	-	0.07	0.06	-	-	0.06
<b>Earnings Per Share - Diluted, as adjusted (b)/(e)</b>	<b>\$ 1.97</b>	<b>\$ 3.54</b>	<b>\$ 3.76</b>	<b>\$ 2.80</b>	<b>\$ 0.65</b>	<b>\$ 0.66</b>	<b>\$ 0.67</b>	<b>\$ 0.82</b>	<b>\$ 0.62</b>	<b>\$ 0.75</b>	<b>\$ 0.89</b>	<b>\$ 2.26</b>



# Non-GAAP Reconciliation, continued



(\$000s, except where otherwise noted)

	2020	2021	2022	2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	YTD 9/30/2024
<b>Return on Average Assets (quarter and YTD annualized)</b>												
Average Assets (c)	\$ 1,613,669	\$ 1,765,148	\$ 1,801,711	\$ 1,924,119	\$ 1,892,111	\$ 1,930,093	\$ 1,954,107	\$ 1,963,840	\$ 1,958,684	\$ 1,933,390	\$ 1,912,887	\$ 1,943,802
Return on Average Assets, as reported (a)/(c)	0.86%	1.12%	1.39%	0.78%	0.94%	0.92%	0.92%	0.36%	0.76%	1.02%	1.20%	0.99%
Add Back: Impact of Tax Reform Act												
Add back: FHLB penalty, net of tax	-	0.10%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Contribution, net of tax		0.04%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Insurance reimbursement, net of tax		-0.06%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Settlement expense, net of tax	-	0.15%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Securities loss				0.17%				0.17%	-	-	-	-
Add back: Branch closure expenses				0.02%				0.02%	0.09%	0.00%	0.00%	0.02%
<b>Return on Average Assets, as adjusted (b)/(c)</b>	<b>0.86%</b>	<b>1.35%</b>	<b>1.39%</b>	<b>0.97%</b>	<b>0.94%</b>	<b>0.92%</b>	<b>0.92%</b>	<b>0.55%</b>	<b>0.85%</b>	<b>1.02%</b>	<b>1.20%</b>	<b>1.01%</b>
<b>Return on Average Common Stockholders' Equity</b>												
<b>Return on Average Tangible Common Stockholders' Equity</b>												
Average common stockholders' equity (f)	\$ 127,101	\$ 132,550	\$ 137,685	\$ 155,631	\$ 149,416	\$ 155,358	\$ 156,346	\$ 156,141	\$ 163,944	\$ 165,040	\$ 170,778	\$ 166,758
Average common stockholders' equity, as adjusted	127,101	132,550	137,685	155,631	149,416	155,358	156,346	156,141	163,944	165,040	170,778	166,758
Less: Average goodwill and intangibles	11,004	11,004	12,043	12,279	12,405	12,320	12,236	12,156	12,071	11,991	11,907	11,990
<b>Average tangible common equity (g)</b>	<b>\$ 116,097</b>	<b>\$ 121,546</b>	<b>\$ 125,642</b>	<b>\$ 143,352</b>	<b>\$ 137,011</b>	<b>\$ 143,038</b>	<b>\$ 144,110</b>	<b>\$ 143,985</b>	<b>\$ 151,873</b>	<b>\$ 153,049</b>	<b>\$ 158,871</b>	<b>\$ 154,768</b>
Return on average common stockholders' equity, as reported (a)/(f)	10.89%	14.92%	18.19%	9.68%	11.87%	11.40%	11.45%	4.47%	9.07%	11.98%	13.44%	11.52%
Add back: FHLB penalty, net of tax	-	1.47%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Contribution		0.63%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Insurance reimbursement		-1.15%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Settlement expense, net of tax		2.11%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Securities loss				2.10%				2.10%	-	-	-	-
Add back: Branch closure expenses				0.31%				0.31%	1.04%	-	-	0.25%
<b>Return on average common stockholders' equity, as adjusted (b)/(f)</b>	<b>10.89%</b>	<b>17.98%</b>	<b>18.19%</b>	<b>12.09%</b>	<b>11.87%</b>	<b>11.40%</b>	<b>11.45%</b>	<b>6.88%</b>	<b>10.11%</b>	<b>11.98%</b>	<b>13.44%</b>	<b>11.78%</b>
Return on average tangible common equity, as reported (a)/(g)	11.92%	16.27%	19.94%	10.51%	12.95%	12.38%	12.42%	4.84%	9.79%	12.91%	14.45%	12.41%
Add Back: Impact of Tax Reform Act			0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: FHLB penalty, net of tax	-	1.47%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Contribution		0.63%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Insurance reimbursement		-0.87%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Settlement expense, net of tax	-	2.11%	0.00%	0.00%	-	-	-	-	-	-	-	-
Add back: Securities loss				2.10%				2.10%	-	-	-	-
Add back: Branch closure expenses				0.31%				0.31%	1.04%	-	-	0.27%
<b>Return on average tangible common equity, as adj (b)/(g)</b>	<b>11.92%</b>	<b>19.61%</b>	<b>19.94%</b>	<b>12.92%</b>	<b>12.95%</b>	<b>12.38%</b>	<b>12.42%</b>	<b>7.25%</b>	<b>10.83%</b>	<b>12.91%</b>	<b>14.45%</b>	<b>12.69%</b>

# Non-GAAP Reconciliation, continued



(\$000s, except where otherwise noted)

	2020	2021	2022	2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	YTD 9/30/2024
<b>Tangible Book Value per Common Share</b>												
Total common equity, as reported (h)	\$ 131,047	\$ 141,900	\$ 151,793	\$ 161,873	\$ 152,868	\$ 155,156	\$ 154,990	\$ 161,873	\$ 165,481	\$ 164,177	\$ 173,979	\$ 173,979
Less: Goodwill and intangibles	11,004	12,052	12,433	12,103	12,350	12,268	12,185	12,103	12,021	11,938	11,856	11,856
Total tangible common equity (i)	\$ 120,043	\$ 129,848	\$ 139,360	\$ 149,770	\$ 140,518	\$ 142,888	\$ 142,805	\$ 149,770	\$ 153,460	\$ 152,239	\$ 162,123	\$ 162,123
Common shares outstanding - basic (actual) (j)	6,992,911	6,620,955	6,666,428	6,639,888	6,688,710	6,711,422	6,715,170	6,639,888	6,648,645	6,465,601	6,468,625	6,468,625
<b>Tangible book value per basic common share (i)/(j)</b>	\$ 17.17	\$ 19.61	\$ 20.90	\$ 22.56	\$ 21.01	\$ 21.29	\$ 21.27	\$ 22.56	\$ 23.08	\$ 23.55	\$ 25.06	\$ 25.06
<b>Tangible common equity to tangible assets ("TCE Ratio")</b>												
Total assets, as reported (k)	1,733,414	1,729,838	1,848,169	1,905,860	1,937,442	1,928,346	1,928,201	1,905,860	1,912,953	1,868,599	1,916,126	1,916,126
Less: Goodwill	11,004	12,052	12,433	12,103	12,350	12,268	12,185	12,103	12,021	11,938	11,856	11,856
Total tangible assets (l)	\$ 1,722,410	\$ 1,717,786	\$ 1,835,736	\$ 1,893,757	\$ 1,925,092	\$ 1,916,078	\$ 1,916,016	\$ 1,893,757	\$ 1,900,932	\$ 1,856,661	\$ 1,904,270	\$ 1,904,270
<b>Tangible common equity to tangible assets (k)/(l)</b>	<b>6.97%</b>	<b>7.56%</b>	<b>7.59%</b>	<b>7.91%</b>	<b>7.30%</b>	<b>7.46%</b>	<b>7.45%</b>	<b>7.91%</b>	<b>8.07%</b>	<b>8.20%</b>	<b>8.51%</b>	<b>8.51%</b>
<b>Net interest margin (tax equivalent)</b>												
Net interest income	\$ 48,546	\$ 52,542	\$ 57,631	\$ 56,869	\$ 14,516	\$ 14,175	\$ 13,984	\$ 14,194	\$ 13,812	\$ 15,239	\$ 15,229	\$ 44,280
Tax equivalent adjustment	917	939	940	629	227	226	117	59	57	57	59	\$ 173
Tax equivalent net interest income (m)	\$ 49,463	\$ 53,481	\$ 58,571	\$ 57,498	\$ 14,743	\$ 14,401	\$ 14,101	\$ 14,253	\$ 13,869	\$ 15,296	\$ 15,288	\$ 44,453
Average earning assets (n)	\$ 1,480,165	\$ 1,629,299	\$ 1,647,151	\$ 1,766,240	\$ 1,692,998	\$ 1,771,707	\$ 1,793,102	\$ 1,806,562	\$ 1,787,955	\$ 1,763,917	\$ 1,757,184	\$ 1,776,154
<b>Net interest margin (tax equivalent) (m)/(n)</b>	<b>3.34%</b>	<b>3.28%</b>	<b>3.56%</b>	<b>3.26%</b>	<b>3.53%</b>	<b>3.26%</b>	<b>3.12%</b>	<b>3.13%</b>	<b>3.12%</b>	<b>3.49%</b>	<b>3.46%</b>	<b>3.34%</b>
<b>Efficiency Ratio</b>												
Noninterest expense, as reported	\$ 43,934	\$ 47,764	\$ 43,145	\$ 50,244	\$ 12,638	\$ 12,511	\$ 12,785	\$ 12,310	\$ 12,881	\$ 12,364	\$ 12,313	\$ 37,558
Less: FHLB penalty, gross		(2,368)	-	-	-	-	-	-	-	-	-	-
Less: Contribution		(1,000)	-	-	-	-	-	-	-	-	-	-
Less: Settlement expense	-	(3,300)	-	-	-	-	-	-	-	-	-	-
Less: Branch closure expenses				623				623	562			562
Noninterest expense, adjusted (o)	\$ 43,934	\$ 41,096	\$ 43,145	\$ 49,621	\$ 12,638	\$ 12,511	\$ 12,785	\$ 11,687	\$ 12,319	\$ 12,364	\$ 12,313	\$ 36,996
Net interest income	\$ 48,546	\$ 52,542	\$ 57,631	\$ 56,868	\$ 14,516	\$ 14,174	\$ 13,984	\$ 14,194	\$ 13,812	\$ 15,239	\$ 15,229	\$ 44,280
Noninterest income	18,577	20,714	17,906	14,471	4,394	4,569	4,898	610	4,875	4,841	5,053	14,769
Less: Insurance reimbursement	-	(1,375)	-	-	-	-	-	-	-	-	-	-
Less: Securities loss				(4,214)				(4,214)				
Tax equivalent adjustment	917	939	940	629	227	226	117	59	57	57	59	173
Total tax equivalent revenue (p)	\$ 68,040	\$ 72,820	\$ 76,477	\$ 76,182	\$ 19,137	\$ 18,969	\$ 18,999	\$ 19,077	\$ 18,744	\$ 20,137	\$ 20,341	\$ 59,222
<b>Efficiency ratio, as adjusted (o)/(p)</b>	<b>64.57%</b>	<b>56.44%</b>	<b>56.41%</b>	<b>65.12%</b>	<b>66.03%</b>	<b>65.94%</b>	<b>67.28%</b>	<b>61.25%</b>	<b>65.71%</b>	<b>61.39%</b>	<b>60.52%</b>	<b>62.46%</b>