Burke&Herbert Financial Services Corp.

1Q25 Update (Nasdaq: BHRB)

April 2025

Cautionary Statement Regarding Forward-Looking Information

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the beliefs, goals, intentions, and expectations of the Company regarding revenues, earnings, earnings per share, loan production, asset quality, and capital levels, among other matters; our estimates of future costs and benefits of the actions we may take; our assessments of expected losses on loans; our assessments of interest rate and other market risks; our ability to achieve our financial and other strategic goals; and other statements that are not historical facts.

Forward–looking statements are typically identified by such words as “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “will,” “should,” and other similar words and expressions, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Additionally, forward–looking statements speak only as of the date they are made; the Company does not assume any duty, does not undertake, and specifically disclaims any obligation to update such forward–looking statements, whether written or oral, that may be made from time to time, whether because of new information, future events, or otherwise, except as required by law. Furthermore, because forward–looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those indicated in or implied by such forward-looking statements because of a variety of factors, many of which are beyond the control of the Company. Further, factors identified herein are not necessarily all of the factors that could cause the Company’s actual results, performance or achievements to differ materially from those expressed in or implied by any of the forward-looking statements. Other factors, including unknown or unpredictable factors, also could harm the Company. Accordingly, you should consider all of these risks, uncertainties and other factors carefully in evaluating all such forward-looking statements made by the Company and not place undue reliance on forward-looking statements.

The risks and uncertainties that could cause actual results to differ from those described in the forward-looking statements include, but are not limited to, the following: costs or difficulties associated with newly developed or acquired operations; changes in general economic, political, or market trends (either nationally or locally in the areas in which we conduct, or will conduct, business), including inflation, changes in interest rates, market volatility and monetary fluctuations, and changes in federal government policies and practices, as well as the impact from recently announced and future tariffs on the markets we serve; increased competition; changes in consumer confidence and demand for financial services, including changes in consumer borrowing, repayment, investment, and deposit practices; changes in asset quality and credit risk; our ability to control costs and expenses; adverse developments in borrower industries or declines in real estate values; changes in and compliance with federal and state laws and regulations that pertain to our business and capital levels; our ability to raise capital as needed; the impact, extent and timing of technological changes; the effects of any cybersecurity breaches; and the other factors discussed in the “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” section of the Company's Annual Report on Form 10–K for the year ended December 31, 2024, the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2024, June 30, 2024, September 30, 2024, and other reports the Company files with the SEC.

Non-GAAP Financial Measures

This presentation contains certain financial measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Such non-GAAP financial measures may include the following: fully tax-equivalent net interest margin, core operating earnings, core net income, tangible book value per common share, total risk-based capital ratio, tier one leverage ratio, tier one capital ratio, and the tangible common equity to tangible assets ratio. Management uses these non-GAAP financial measures to assess the performance of the Company’s core business and the strength of its capital position. Management believes that these non-GAAP financial measures provide meaningful additional information about the Company to assist investors in evaluating operating results, financial strength, and capitalization. The non-GAAP financial measures should be considered as additional views of the way our financial measures are affected by significant charges for credit costs and other factors. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. The computations of the non-GAAP financial measures used in this presentation are referenced in a footnote or in the appendix to this presentation.

Introduction

- Thank you for your interest in Burke & Herbert Financial Services Corp., and its wholly owned subsidiary Burke & Herbert Bank & Trust Company. As a community banking institution, we are headquartered in Old Town Alexandria, Virginia, and have served the banking, borrowing and investing needs of businesses, organizations, families, and individuals since 1852.

- As a true community bank, we are deeply tied to the people, neighborhoods, and institutions where we live and work. Our employees form a diverse, dedicated, close-knit team that upholds a culture of customer service and forges strong and lasting relationships with our customers and shared communities. We are selective in our hiring, proud of the caliber of our people, and encourage a collegial environment in which each individual feels valued.

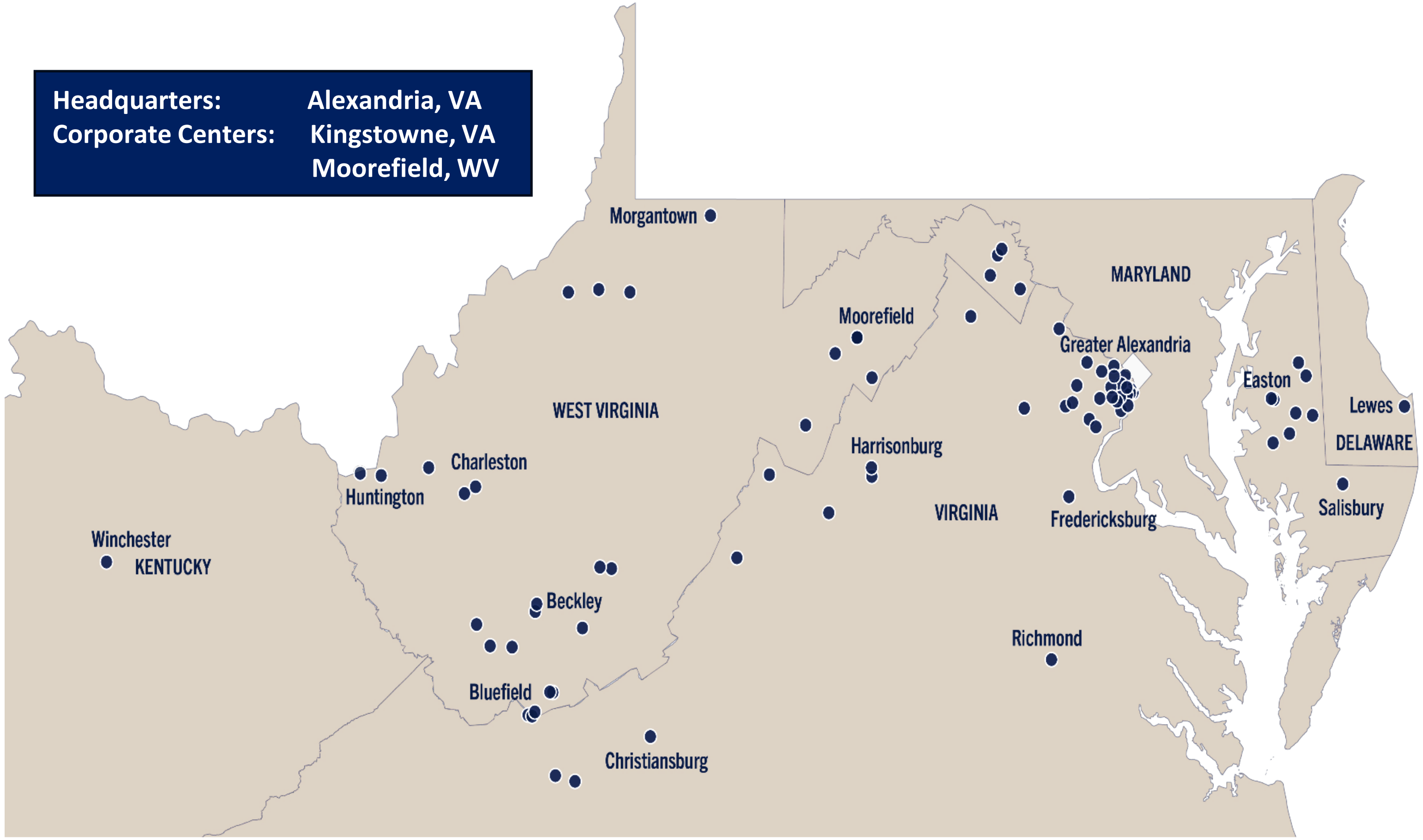
- We strive to be your quintessential community bank that delivers extraordinary experiences and top-quartile results, while staying true to our values and remaining focused on what we can control.

Overview

173 Years Providing Service Beyond Expectations

More than 75 locations across 5 states

Headquarters:	**Alexandria, VA**
Corporate Centers:	**Kingstowne, VA**
	Moorefield, WV



Total Assets

$7.8 Billion

Total Gross Loans

$5.6 Billion

Total Deposits

$6.5 Billion

Return on Average Assets

1.41%

Return on Average Equity

14.57%

Financial results for the quarter ended March 31, 2025; Returns are annualized

Burke&Herbert Financial Services Corp.

Core Values

Driven by our values, we endeavor to be your quintessential community bank — delivering service beyond expectations

Serve & Lead

We are dedicated to serving our customers and our teams, leading with quiet confidence and integrity to inspire the trust of all those we serve.

Deliver More

We're driven to go above and beyond, continually innovating and improving on how we deliver the best possible experiences and outcomes for all those we serve.

Elevate Everyone

We embrace our differences and respect everyone's unique contributions. We seek to empower individuals through our actions and words because we believe that when one succeeds, we all succeed.

Always Invested

We take ownership and responsibility for our work and are invested in the long-term success of our customers, colleagues, and communities.

Investment Strategy

Unmatched Legacy & Reputation

- Oldest continuously operated bank in Virginia with 170+ years of trust
- Multi-generational customer relationships, deeply imbedded in the community
- Publicly traded yet maintains a family-owned culture with a long-term view

Strong & Consistent Financial Performance

- Well-capitalized and resilient with low earnings volatility across economic cycles
- Desired moderate risk profile with a fortress balance sheet
- Stable deposit base with loyal customer retention
- Our goal is to consistently deliver top quartile returns relative to our peers

Market Leadership in a High-Growth Region

- Headquartered in historic Alexandria, VA, a prime location in the D.C. metro area
- Strong presence in Northern VA's affluent, high-income markets
- Significant M&A and organic opportunities for deeper market penetration

Community Banking with a Competitive Edge

- Relationship-driven banking model vs. larger impersonal regional and super-regional banks
- Faster, local decision-making for businesses and individuals
- Longstanding trust gives us a competitive edge in our markets
- A seasoned management team with large bank experience

Future Growth and Innovation –
Three Pillars of our Strategic Plan

Continue to Maintain & Expand Our Trusted Advisor Relationship Model

Profitably Expand our Market Share

Grow Our Fee-Based Sources of Revenue

1Q25 At a Glance

Highlights

$27.2 million
Net Income

$1.80
Diluted Earnings per Share (EPS)

+27 bps
QoQ Net Interest Margin[1]

1.20%
Allowance Coverage Ratio

14.73%
Total Risk-Based Capital Ratio[2]

(1) Net interest margin and tangible book value are non-GAAP financial measures (see Appendix). (2) Estimated.

Built for the Long-Term

- Our objective is to build and maintain a fortress balance sheet
  - Maintain credit discipline through the cycle
  - Ensure proper allowances for credit losses
  - Stay liquid and have multiple sources of liquidity
  - Manage capital for the long term
  - Stress test the balance sheet for severe shocks
  - Maintain relatively neutral interest rate position
  - Continually improve risk, governance, and controls
  - Operate an effective risk-adjusted return culture

Loan to Deposit Ratio
86.3%

Uninsured Deposit %
29.7%

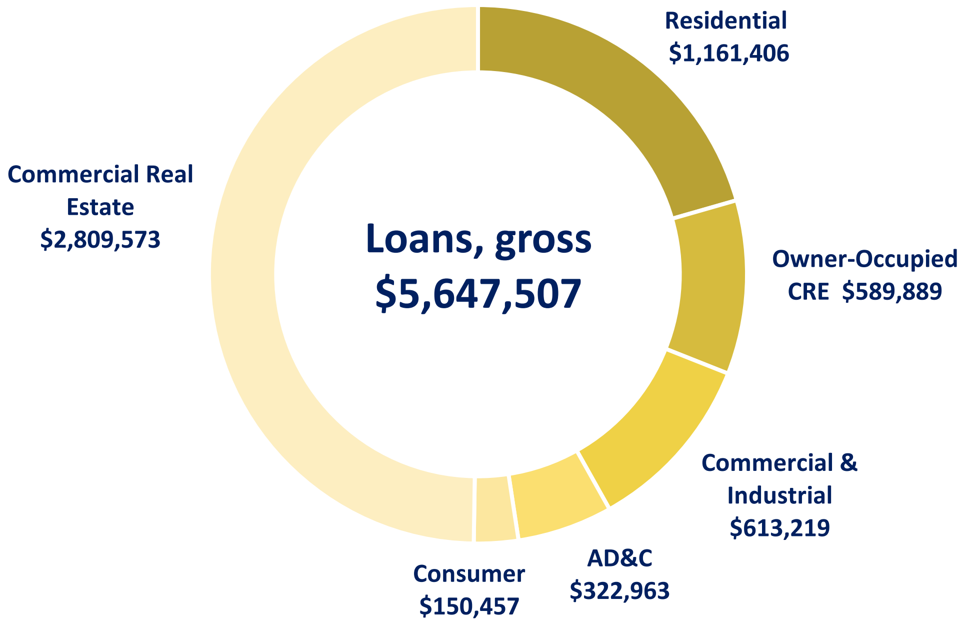
Net Interest Margin[1]
4.18% Annualized

Efficiency Ratio
59.8%

Tangible Book Value[1]
$44.17 per common share

Financial results for the quarter ended March 31, 2025

Loan Portfolio as of 1Q25 ($ in 000s)



Loan Segment	Adjustable Rate	Fixed Rate
Commercial Real Estate	$ 1,245,137	$ 1,564,436
Residential	568,547	592,859
Owner-occupied CRE	303,113	286,776
AD&C	230,807	92,156
Commercial & Industrial	417,781	195,438
Consumer	110,844	39,613
	$ 2,876,229	$ 2,771,278

Commercial Real Estate Category	$ by Asset Class	% by Asset Class
Retail Real Estate	$ 605,666	22%
Multi-Family	520,362	19
Office Bldgs. / Condos	461,164	16
Hotels / Motels	389,077	14
Industrial / Warehouse	277,562	10
Other	234,546	8
Nursing-Assisted Living	132,556	5
Self-Storage	117,463	4
Restaurants and Gas Stations	71,177	2
	$ 2,809,573	100%

1Q25 Highlights

- The commercial real estate (CRE) portfolio is well-diversified across asset classes:
  - CRE + AD&C as a percentage of Bank total risk-based capital is estimated at 332%
  - AD&C as a percentage of Bank total risk-based capital is estimated at 34%
- The CRE loan portfolio geographic footprint is spread across the West Virginia and greater DC / Maryland / Virginia (DMV) area with minimal office building exposure within Washington D.C.
- In line with our overall strategy, we are focused on commercial & industrial loan growth and greater portfolio granularity

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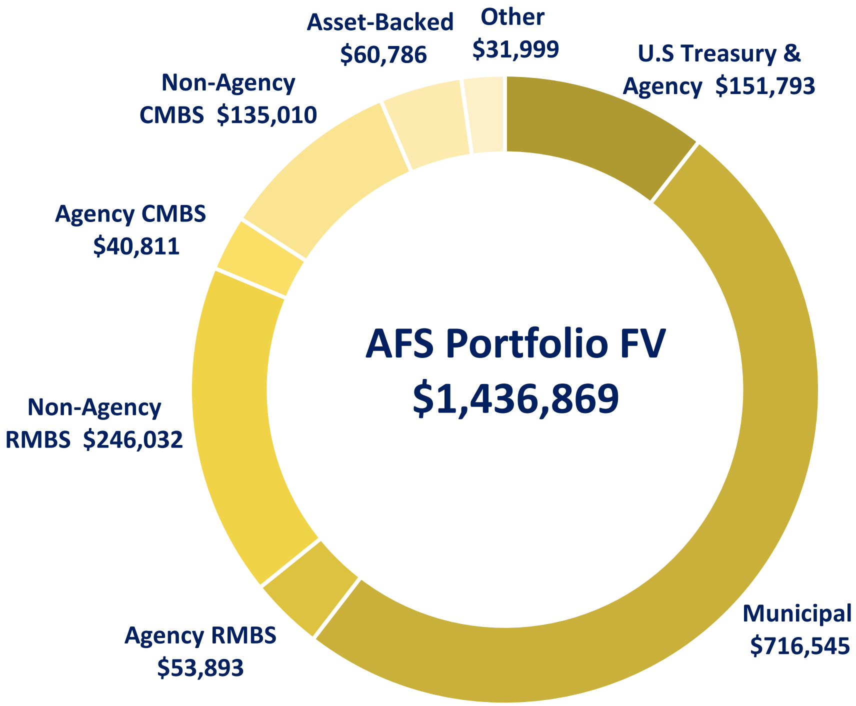
Security Portfolio as of 1Q25 ($ in 000s)



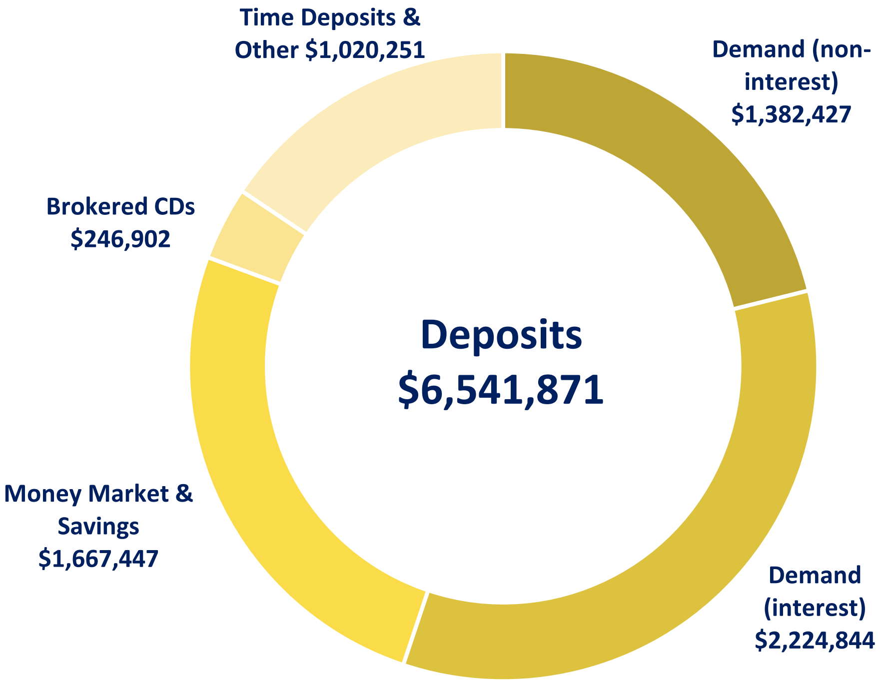
Unrealized losses (net of taxes) impacts book value by $5.63 per common share

Category	Net Unrealized Losses	Amortized Cost	WA Yield
U.S. Treasury & Agency	$ 13,448	$ 165,241	1.31%
Municipal	79,044	795,589	2.80
Agency RMBS	3,411	57,304	3.57
Non-Agency RMBS	8,478	254,510	4.07
Agency CMBS	791	41,602	4.73
Non-Agency CMBS	2,781	137,791	3.73
Asset-Backed	610	61,396	5.66
Other	929	32,928	7.37
	$ 109,492	**$ 1,546,361**	**3.23%**

1Q25 Highlights

- Portfolio duration is approximately 4.6 years
- 72% of unrealized losses have a duration of approximately 5.6 years; remainder less than 2.5 years
- Unrealized losses are the result of the interest rate environment
- AOCI accretion is expected to be approximately 5.5% per quarter assuming a stagnant interest rate environment
- The current portfolio is held as available-for-sale, and there is no intent to reclassify any part
- Majority of non-agency CMBS and ABS are equity enhanced through structure and credit support

Funding Sources as of 1Q25 ($ in 000s)



Short-term borrowings total $300 million with total unused borrowing capacity of $4.1 billion

Short-term borrowings average rate for 1Q25 was 3.88%

Category	Average Rate QTD
Demand (non-interest bearing)	– %
Demand (interest bearing)	2.16
Money Market & Savings	2.02
Brokered CDs	4.60
Time Deposits	3.68
Total Interest-Bearing Deposits	**2.53**
Total Deposits	**1.99%**

1Q25 Highlights

- Loan-to-deposit ratio of 86.3%
- Brokered deposits represent 3.8% of total deposits
- Uninsured deposits totaled $1.9 billion, representing 29.7% of total deposit balance
- Stress tests are performed on liquidity and capital on a quarterly basis
- We believe we have ample liquidity to withstand significant stress

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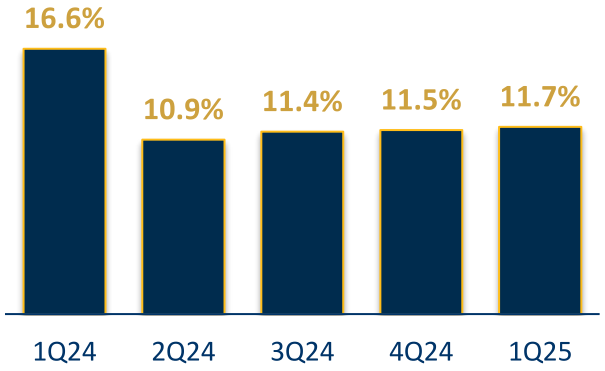
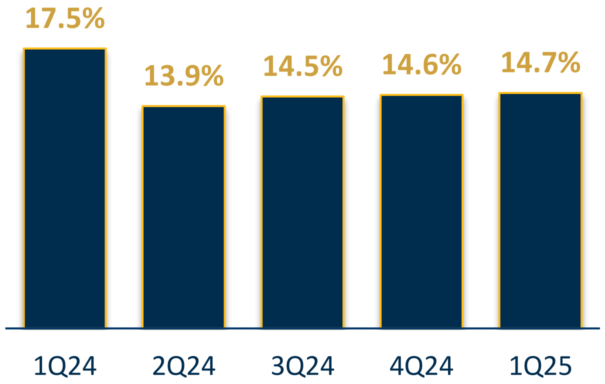
Capital Ratio Trends[1,2]

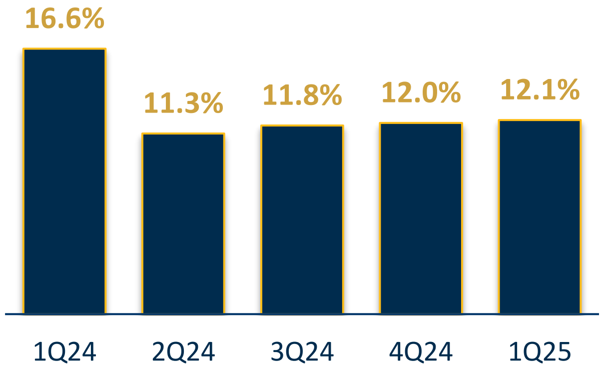
Common Equity Tier 1 Ratio



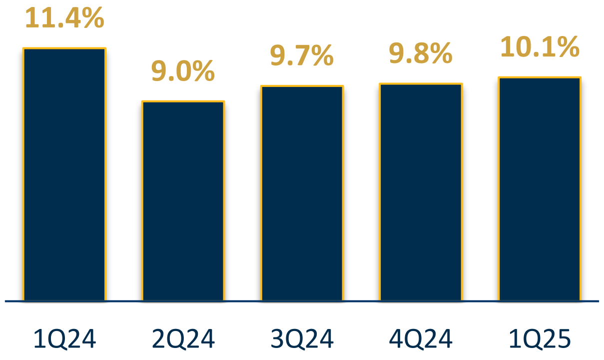
Total Capital Ratio



Tier 1 Capital Ratio



Leverage Ratio



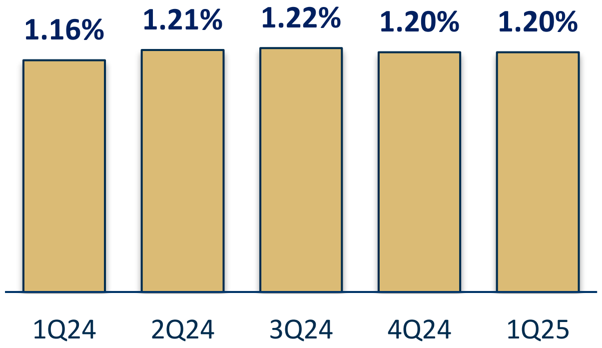
(1) All 1Q25 capital ratios are estimated. (2) Note: The merger with Summit Financial Group, Inc., occurred during 2Q24.

Capital Management

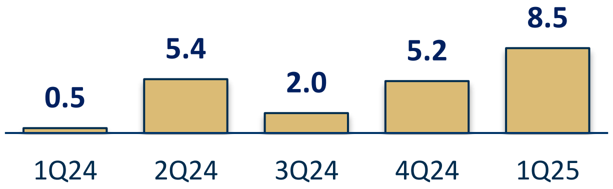
- We take a forward-looking, disciplined approach to capital management that emphasizes acceptable risk-adjusted returns over the long-term
- Our capital management priorities include
  - Supporting customers
  - Funding business investments
  - Maintaining appropriate capital in light of economic conditions and regulatory expectations
  - Returning excess capital to shareholders
- Modeled stress scenarios include evaluating the impact of deposit shocks, interest rate scenarios, and general balance sheet repositioning
- Stress scenarios result in capital levels well above well-capitalized levels

Asset Quality Trends

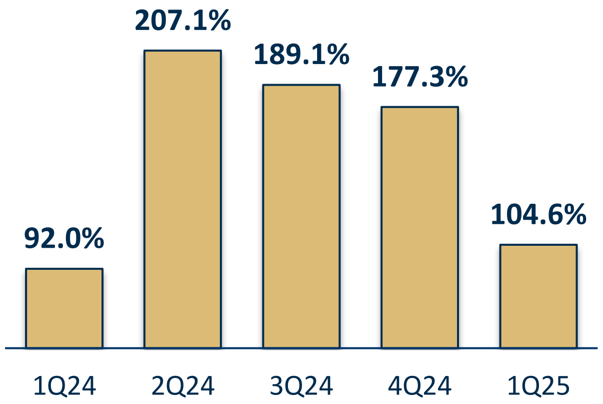
Allowance Coverage Ratio



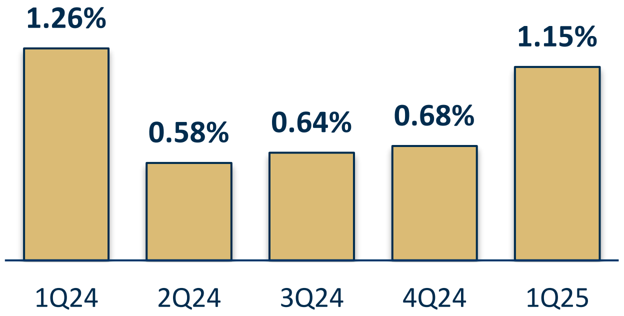
NCOs / Average Loans (annualized) in bps



Allowance for Credit Losses / NPLs



NPLs / Total Loans



Credit Management

- Our objective is to maintain a moderate risk profile through the economic cycle
- Credit risk management is embedded in our risk culture and in our decision-making processes
  - Managed through specific policies and processes
  - Measured and evaluated against our risk appetite and credit concentration limits
  - Reported, along with specific mitigation activities, to management and the Board of Directors through our governance structure
- Loan reviews include ongoing monitoring procedures that involve additional stress testing of interest rate movements and collateral performance

Final Thoughts

- Our business model is built on customer service and is designed to consistently deliver top quartile returns relative to our peers
- Our approach is concentrated on growing and deepening relationships across our businesses that meet our risk/return measures
- We are focused on our strategic priorities which are designed to enhance value over the long term
  - Being a trusted advisor
  - Growing fee revenue
  - Profitably expanding our markets
- We take the long-view and maintain a moderate risk profile through the economic cycle

Appendix: Income Statement and Per Share Information

Income Statement ($ in 000s)	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024
Interest income	$ 110,786	$ 112,793	$ 118,526	$ 96,097	$ 38,745
Interest expense	37,799	42,083	45,347	36,332	16,614
Noninterest income	10,023	11,791	10,616	9,505	4,254
Total revenue (non-GAAP)	83,010	82,501	83,795	69,270	26,385
Noninterest expense	49,664	61,410	50,826	64,432	21,165
Pretax, pre-provision earnings (non-GAAP)	33,346	21,091	32,969	4,838	5,220
Provision for (recapture of) credit loss	501	833	147	23,910	(670)
Income (loss) before income taxes	32,845	20,258	32,822	(19,072)	5,890
Income tax expense (benefit)	5,644	465	5,200	(2,153)	678
Net income (loss)	27,201	19,793	27,622	(16,919)	5,212
Preferred stock dividends	225	225	225	225	-
Net income (loss) applicable to common shares	$ 26,976	$ 19,568	$ 27,397	$ (17,144)	$ 5,212

Per common share information					
Basic earnings	$ 1.80	$ 1.31	$ 1.83	$ (1.41)	$ 0.70
Diluted earnings	1.80	1.30	1.82	(1.41)	0.69
Cash dividends	0.55	0.55	0.53	0.53	0.53
Book value	49.90	48.08	48.63	45.72	42.92
Tangible book value	44.17	42.06	42.32	39.11	42.92

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Appendix: Balance Sheet Trends

Balance Sheet (at period end), $ in 000s	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024
Assets	$ 7,838,090	$ 7,812,185	$ 7,864,913	$ 7,810,193	$ 3,696,390
Average interest-earning assets	7,171,931	7,273,770	7,238,636	5,994,383	3,377,092
Loans (gross)	5,647,507	5,672,236	5,574,037	5,616,724	2,118,155
Loans (net)	5,579,754	5,604,196	5,506,220	5,548,707	2,093,549
Securities, available-for-sale, at fair value	1,436,869	1,432,371	1,436,431	1,414,870	1,275,520
Intangible assets	53,002	57,300	61,598	65,895	-
Goodwill	32,842	32,783	32,783	32,783	-
Non-interest bearing deposits	1,382,427	1,379,940	1,392,123	1,397,030	822,767
Interest-bearing deposits	5,159,444	5,135,299	5,208,702	5,242,541	2,167,346
Deposits, total	6,541,871	6,515,239	6,600,825	6,639,571	2,990,113
Brokered deposits	246,902	244,802	345,328	403,668	370,847
Uninsured deposits	1,943,227	1,926,724	1,999,403	1,931,786	700,846
Short-term borrowings	300,000	365,000	320,163	285,161	360,000
Subordinated debt, net	113,289	111,885	110,482	109,064	-
Unused borrowing capacity	4,082,879	4,092,378	2,353,963	2,162,112	704,233
Total equity	758,000	730,157	738,059	693,126	319,308
Total common equity	747,587	719,744	727,646	682,713	319,308
Accumulated other comprehensive income (loss)	(88,024)	(95,720)	(75,758)	(100,430)	(100,954)

Appendix: Notes on Non-GAAP Financial Measures

Total Common Equity, Tangible Book Value & Tangible Assets: Tangible common equity measures are capital adequacy metrics that may be meaningful to the Company, as well as analysts and investors, in assessing the Company's use of equity and in facilitating comparisons with peers. These non-GAAP measures are valuable indicators of a financial institution's capital strength since they eliminate intangible assets from stockholders' equity and retain the effect of accumulated other comprehensive income/(loss) in stockholders' equity.

	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024
Common Shareholders’ Equity	$ 747,587	$ 719,744	$ 727,646	$ 682,713	$ 319,308
Less: Goodwill and intangible assets, net	85,844	90,083	94,381	98,678	-
Tangible common equity (non-GAAP)	661,743	629,661	633,265	584,035	319,308
Shares outstanding at end of period	14,982,807	14,969,104	14,963,003	14,932,169	7,440,025
Tangible book value per common share	$ 44.17	$ 42.06	$ 42.32	$ 39.11	$ 42.92
Total Assets	7,838,090	7,812,185	7,864,913	7,810,193	3,696,390
Less: Goodwill and Intangible assets, net	85,844	90,083	94,381	98,678	-
Tangible assets (non-GAAP)	$ 7,752,246	$ 7,722,102	$ 7,770,532	$ 7,711,515	$ 3,696,390

Appendix: Notes on Non-GAAP Financial Measures

Total Revenue: Total revenue is a non-GAAP measure and is derived from total interest income less total interest expense plus total non-interest income. We believe that total revenue is a useful tool to determine how the Company is managing its business and demonstrates how stable our revenue sources are from period to period.

	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024
Interest income	$ 110,786	$ 112,793	$ 118,526	$ 96,097	$ 38,745
Interest expense	37,799	42,083	45,347	36,332	16,614
Non-interest income	10,023	11,791	10,616	9,505	4,254
Total revenue (non-GAAP)	$ 83,010	$ 82,501	$ 83,795	$ 69,270	$ 26,385

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Appendix: Notes on Non-GAAP Financial Measures

Net Interest Margin: The interest income earned on certain earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of net interest income, we use net interest income on a fully taxable-equivalent (FTE) basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. FTE net interest income is calculated by adding the tax benefit on certain financial interest earning assets, whose interest is tax-exempt, to total interest income then subtracting total interest expense. Management believes FTE net interest income is a standard practice in the banking industry, and when net interest income is adjusted on an FTE basis, yields on taxable, nontaxable, and partially taxable assets are comparable; however, the adjustment to an FTE basis has no impact on net income and this adjustment is not permitted under GAAP. FTE net interest income is only used for calculating FTE net interest margin, which is calculated by annualizing FTE net interest income and then dividing by the average earning assets.

	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024
Net interest income	$ 72,987	$ 70,710	$ 73,179	$ 59,765	$ 22,131
Taxable-equivalent adjustments	881	858	847	688	362
Net interest income (Fully Taxable-Equivalent - FTE)	$ 73,868	$ 71,568	$ 74,026	$ 60,453	$ 22,493
Average interest-earning assets	$ 7,171,931	$ 7,273,770	$ 7,238,636	$ 5,994,383	$ 3,377,092
Net interest margin (non-GAAP)	4.18%	3.91%	4.07%	4.06%	2.68%

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