

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

February 6, 2024
Date of Report (date of earliest event reported)

Burke & Herbert Financial Services Corp.
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

001-41633
(Commission File Number)

92-0289417
(I.R.S. Employer Identification Number)

100 S. Fairfax Street
Alexandria, VA 22314
(Address of principal executive offices and zip code)
(703) 666-3555
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class
Common stock, par value \$0.50

Securities registered pursuant to Section 12(b) of the Act:
Trading Symbol
BHRB

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 - Regulation FD Disclosure

The management of Burke & Herbert Financial Services Corp. (the "Company") anticipates meetings with investors during 2024. A copy of presentation materials will be made available on the investor relations section of the Company's website (<https://www.burkeandherbertbank.com>) and is furnished as exhibit 99.1 to this report. All information included in this presentation is presented as of the dates indicated, and the Company does not assume any obligation to correct or update such information in the future. The Company disclaims any inferences regarding the materiality of such information which otherwise may arise as a result of it furnishing such information under Item 7.01 of this Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information furnished in this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of Section 18 of the Exchange Act.

Item 9.01 - Financial Statements and Exhibits

(d) The following exhibits are being filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Presentation, dated February 6, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 6th day of February, 2024.

Burke & Herbert Financial Services Corp.

By: /s/ Roy E. Halyama

Name: Roy E. Halyama

Title: Executive Vice President, CFO

Burke&Herbert Financial Services Corp.

4Q23 Update (Nasdaq: BHRB)

February 2024

On August 24, 2023, Burke & Herbert Financial Services Corp. (the "Company") and Summit Financial Group, Inc. ("Summit") (Nasdaq: SMMF) announced the signing of a definitive agreement under which Summit will merge with and into the Company in an all-stock merger of equals. When the merger is completed, the combined organization will create a financial holding company with more than \$8 billion in assets and more than 75 branches across Virginia, West Virginia, Maryland, Delaware, and Kentucky, with more than 800 employees serving our communities. Completion of the merger is subject to receipt of all required regulatory approvals, and fulfillment of other customary closing conditions.

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Cautionary Statement Regarding Forward-Looking Information

This communication includes “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 Burke & Herbert regarding the proposed merger, 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; the expected timing of completion of the proposed merger; the expected cost savings, synergies, returns and other anticipated benefits from the proposed merger; 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. These forward-looking statements include, without limitation, those relating to the terms, timing, and closing of the proposed merger.

Additionally, forward-looking statements speak only as of the date they are made; Burke & Herbert does not assume any duty, and does not undertake, to update such forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events, or otherwise. 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 as a result of a variety of factors, many of which are beyond the control of Burke & Herbert. Such statements are based upon the current beliefs and expectations of the management of Burke & Herbert and are subject to significant risks and uncertainties outside of the control of the parties. Caution should be exercised against placing undue reliance on forward-looking statements. The factors that could cause actual results to differ materially include the following: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between Burke & Herbert and Summit; the outcome of any legal proceedings that may be instituted against Burke & Herbert or Summit; the possibility that the proposed merger will not close when expected, or at all, because required regulatory or other approvals are not received or other conditions to the closing are not satisfied on a timely basis, or at all, or are obtained subject to conditions that are not anticipated (and the risk that required regulatory approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed merger); the ability of Burke & Herbert and Summit to meet expectations regarding the timing, completion, and accounting and tax treatments of the proposed merger; the risk that any announcements relating to the proposed merger could have adverse effects on the market price of the common stock of either or both parties to the proposed merger; the possibility that the anticipated benefits of the proposed merger will not be realized when expected, or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where Burke & Herbert and Summit do business; certain restrictions during the pendency of the proposed merger that may impact the parties’ ability to pursue certain business opportunities or strategic transactions; the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management’s attention from ongoing business operations and opportunities; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected timeframes, or at all and to successfully integrate Summit’s operations and those of Burke & Herbert; such integration may be more difficult, time-consuming or costly than expected; revenues following the proposed merger may be lower than expected; Burke & Herbert’s and Summit’s success in executing their respective business plans and strategies and managing the risks involved in the foregoing; the dilution caused by Burke & Herbert’s issuance of additional shares of its capital stock in connection with the proposed merger; effects of the announcement, pendency, or completion of the proposed merger on the ability of Burke & Herbert and Summit to retain customers and retain and hire key personnel and maintain relationships with their suppliers, and on their operating results and businesses generally; and risks related to the potential impact of general economic, political and market factors on the companies or the proposed merger and other factors that may affect future results of Burke & Herbert and Summit; and the other factors discussed in the “Risk Factors” section of Burke & Herbert’s Registration Statement on Form 10, as amended and as ordered effective by the SEC on April 21, 2023, and in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Burke & Herbert’s Quarterly Report on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023, and September 30, 2023, and other reports Burke & Herbert files with the SEC.

Introduction

- Thank you for your interest in Burke & Herbert Financial Services Corp. and its wholly owned subsidiary Burke & Herbert Bank & Trust Company. A proud and flourishing community institution, we are headquartered in Old Town Alexandria, Virginia and have served the banking, borrowing and investing needs of generations of businesses, organizations, families and individuals since 1852. Today, we are on a robust and exciting path of growth as we expand into new markets, develop and roll out next-generation digital banking services, and serve increasing numbers of customers.
- 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.
- The Bank was founded by John Woolfolk Burke and Arthur Herbert in 1852 in Old Town Alexandria and is the longest continuously operating bank in the Commonwealth. The Bank's current Chair, E. Hunt Burke, represents the fifth generation of the Burke family to have a leadership role at the Bank.



Burke & Herbert
Financial Services Corp.

Key Takeaways

- Burke & Herbert Financial Services Corp. was established in September 2022 as the holding company for Burke & Herbert Bank & Trust Company, which has been offering banking services in Northern Virginia since 1852
- We have a seasoned executive management team and an experienced Board of Directors all focused on delivering long-term value for our shareholders
- Our recent performance has been solid and we are well-positioned to execute our strategic plan to:
 - Profitably expand our market share
 - Transform our digital capabilities
 - Grow fee-based sources of revenue

Executive Team

Name	Role	Years in Banking	Years at BHB	Prior Institution Experience
David Boyle	Chair, CEO, President	25+ years	4 years	PNC Financial Services / National City Bank
Roy Halyama	EVP, Chief Financial Officer	25+ years	2 years	JP Morgan / PNC Financial Services / Fifth Third Bank
Jeffrey Welch	EVP, Chief Credit Officer	25+ years	9 years	TD Bank / Sandy Spring Bank
Joseph Collum	EVP, Branch & Business Banking	25+ years	25+ years	All with BHRB
Emily Debeniotis	EVP, Human Resources	25+ years	25+ years	All with BHRB
Shannon Rowan	EVP, Wealth Services	25+ years	12 years	Capital One Financial / Chevy Chase
Kendrick Smith	EVP, Operations	25+ years	3 years	Orrstown Bank / First National Community Bank
Alexis Santin	EVP, Payments & Digital Strategy	20+ years	4 years	Eagle Bancorp
Greg Mellors	EVP, Chief Lending Officer	25+ years	3 years	Wells Fargo
Jennifer Schmidt	EVP, Enterprise Risk	15+ years	8 years	Capital One Financial / BP Oil

Company Overview

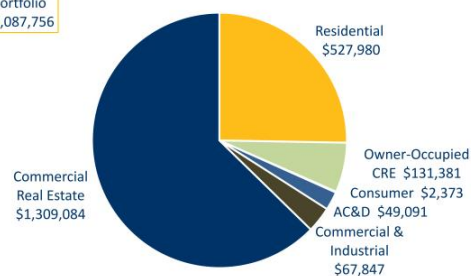
Overview	Financial Performance				
<ul style="list-style-type: none">• The Bank was founded in 1852, making us the oldest, continuously operating Bank in Virginia• Our primary market area includes Virginia / Maryland / DC with 23 branches throughout Northern Virginia and Richmond• The Bank also offers a full suite of wealth management, trust, and private banking services as well as a digital investing program• As of December 31, 2023, we had 400 employees	FY20	FY21	FY22	FY23	
2023 Highlights	Balance Sheet Highlights (millions)				
<ul style="list-style-type: none">• On April 26, 2023, the Company's Common Stock began trading on Nasdaq• On August 24, 2023, the Company announced a merger of equals with Summit Financial Group, Inc. of Moorefield, WV• On December 6, 2023, the Company and Summit Financial Group, Inc. announced that their respective shareholders approved the proposed merger, which remains subject to regulatory approvals and certain other customary closing conditions• Total loans increased to \$2.1 billion, an 11% increase from December 31, 2022• Total deposits remained relatively stable, ending the year at \$3 billion• The Company continues to be well-capitalized with a 16.9% Common Equity Tier 1 (CET1) ratio, a 17.9% total capital ratio, and a leverage ratio of 11.3%	Assets	\$ 3,425	\$ 3,622	\$ 3,563	\$ 3,618
	Gross Loans, (excluding HFS loans)	1,834	1,745	1,887	2,088
	Investments	1,160	1,606	1,372	1,248
	Deposits	2,789	2,933	2,920	3,002
	Equity	385	390	273	315
	Income Statement Highlights (thousands)				
	Net Interest Income	\$ 89,716	\$ 96,603	\$ 103,692	\$ 93,759
	Non-Interest Income	19,004	17,251	17,087	17,952
	Total Revenue ¹	108,720	113,854	120,779	111,711
	Non-Interest Expense	67,633	74,414	75,946	86,436
	Net Income	26,499	36,165	44,013	22,692
	Profitability Metrics (percentage)				
	Return on Avg. Assets	0.82	1.02	1.24	0.63
	Return on Avg. Equity	7.23	9.35	14.28	8.00
	Net Interest Margin ¹	3.03	2.97	3.19	2.85
	Efficiency Ratio	62.21	65.36	62.88	77.37
	Loan-to-Deposit Ratio	65.74	59.49	64.62	69.55
	Per Share Metrics				
	Diluted Earnings	\$ 3.55	\$ 4.87	\$ 5.89	\$ 3.02
	Cash Dividend	2.00	2.00	2.12	2.12
	Tangible Book Value (TBV) ¹	51.67	52.48	36.82	42.37
	TBV (ex. securities AOCI) ¹	47.79	50.74	54.45	55.57

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(1) Non-GAAP measure. All non-GAAP reconciliations are provided in the appendix.

Loan Portfolio as of 4Q23 (\$ in 000s)

Portfolio
\$2,087,756



Loan Segment	Variable	Fixed
Commercial Real Estate	\$ 254,489	\$ 1,054,595
Residential	220,086	307,894
Owner-occupied CRE	8,873	122,508
AC&D	43,293	5,798
Commercial & Industrial	21,479	46,368
Consumer	1,059	1,314
	<u>\$ 549,279</u>	<u>\$ 1,538,477</u>

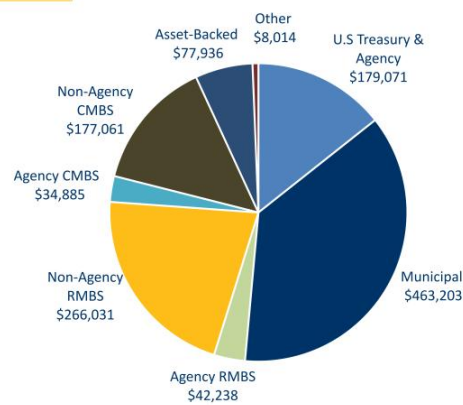
Commercial Real Estate Category	in dollars	in percentage
Retail Real Estate	\$ 339,783	26%
Industrial/Warehouse	213,616	16
Office Bldgs/Condos	187,000	14
Multi-Family	195,380	15
Hotels/Motels	143,771	11
Other	69,129	5
Restaurants & Gas Stations	62,345	5
Self-Storage	59,685	5
Nursing-Assisted Living	38,375	3
	<u>\$ 1,309,084</u>	<u>100%</u>

- The commercial real estate portfolio is diversified across asset classes with the majority being within the retail real estate sector
- The loan geographic footprint is spread across the greater DC / Maryland / Virginia (DMV) area with minimal office building exposure within Washington D.C. proper and with government-dependent occupancy
- In line with our overall strategy, we are focused on commercial & industrial loan growth and greater portfolio granularity
- Unused commitments totaled approximately \$278.9 million and include 17% of unconditionally cancelable commitments

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Security Portfolio as of 4Q23 (\$in 000s)

Portfolio FV
\$1,248,439

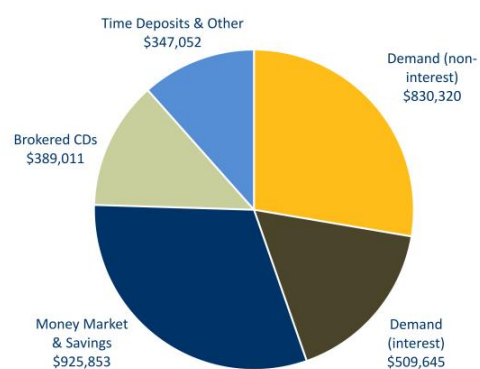


Category	Net Unrealized Losses	Amortized Cost	WA Yield
U.S. Treasury & Agency	\$ 17,955	\$ 197,026	1.36%
Municipal	72,026	535,229	2.11
Agency RMBS	4,836	47,074	3.67
Non-Agency RMBS	18,795	284,826	3.67
Agency CMBS	1,266	36,151	5.47
Non-Agency CMBS	6,393	183,454	4.91
Asset-Backed	1,379	79,315	6.35
Other	1,486	9,500	5.13
	\$ 124,136	\$1,372,575	3.11%

- Portfolio duration is approximately 3.8 years
- 72% of unrealized losses have a duration of approximately 5.8 years; remainder less than 3 years
- Unrealized losses are the result of the interest rate environment
- AOCI accretion is expected to be approximately 6.6% 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 4Q23 (\$ in 000s)

Deposits
\$3,001,881

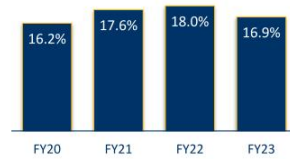


Category	Average Rate
Demand (non-interest bearing)	- %
Demand (interest bearing)	0.42
Money Market & Savings	1.64
Brokered Certificate of Deposits	4.57
Time Deposits & Other	2.07
Total Interest-Bearing Deposits	1.86
Total Deposits	1.31%

- Loan-to-deposit ratio of 69.6% and loan + security-to-deposit ratio of 111.1%
- Brokered deposits represent 13.0% of total deposits
- Uninsured deposits totaled \$677.3 million, representing 22.6% of total deposit balance
- Borrowings totaled \$272.0 million with remaining capacity of \$987.0 million
- Stress tests are performed on liquidity and capital on a quarterly basis in partnership with ALM consultant
- We believe we have ample liquidity to withstand significant stress

Capital Trends as of 4Q23

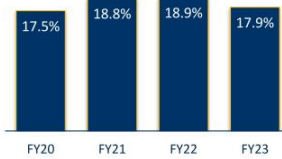
Common Equity Tier 1 Ratio



Tier 1 Capital Ratio



Total Capital Ratio



Average Equity to Average Assets

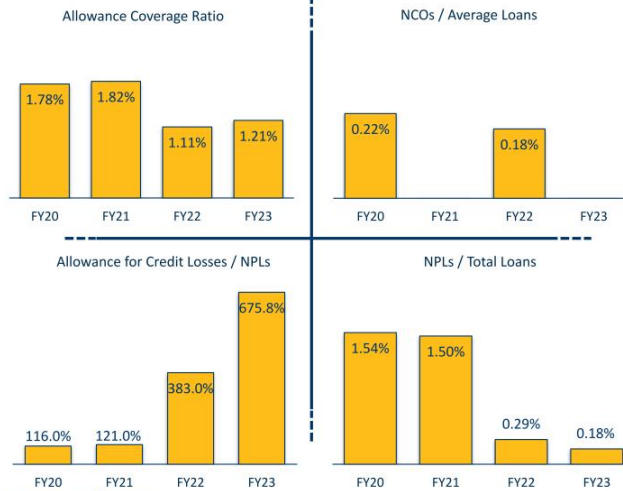


Capital Management

- 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
- Including the impact of the securities portfolio AOCI, our capital ratios as of 4Q23 would be 12.7% (for CET 1 and Tier 1 Capital) and 13.7% (Total Capital)
- Capital ratios are for Burke & Herbert Financial Services Corp. for 2023 and 2022. Prior to 2022, they are for Burke & Herbert Bank & Trust Company

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Asset Quality as of 4Q23



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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
- Underwriting guidelines are adjusted to reflect current market conditions
- Loan reviews include ongoing monitoring procedures that involve additional stress testing of interest rate movements and collateral performance

Final Burke & Herbert Standalone Thoughts

- Burke & Herbert Financial Services Corp. was established in September 2022, as the holding company for Burke & Herbert Bank & Trust Company
- Burke & Herbert Bank & Trust Company is a \$3.6 billion growth-oriented commercial bank headquartered in Alexandria, Virginia
- We have a seasoned executive management team and an experienced Board of Directors, all focused on executing our strategy
- We announced a merger with Summit Financial Group, Inc. on August 24, 2023, and on December 6, 2023, we received the approvals of the Company's and Summit's stockholders
- The closing of the merger remains subject to pending regulatory approvals and certain other customary closing conditions



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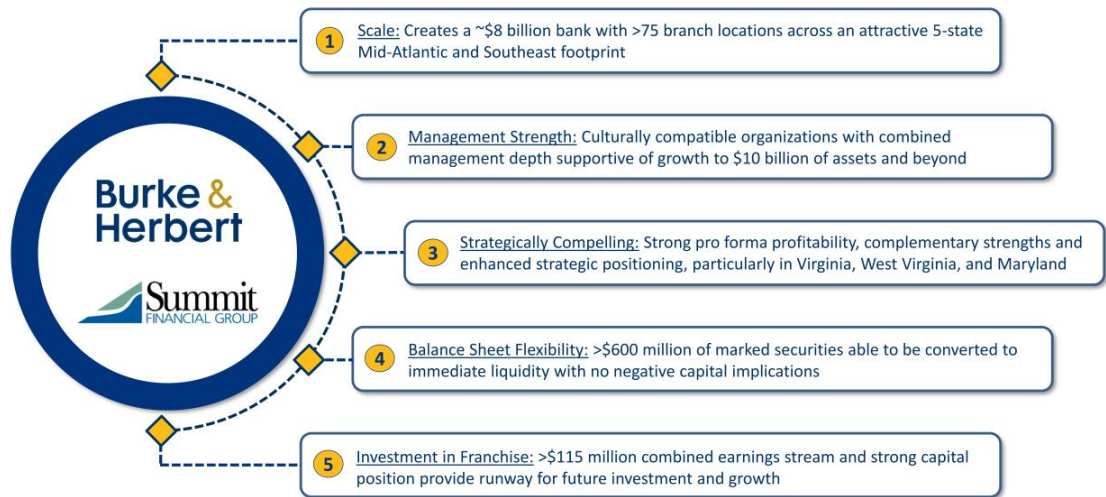


Burke & Herbert Financial Services Corp. (Nasdaq: BHRB)
Merger of Equals with
Summit Financial Group, Inc. (Nasdaq: SMMF)

Previously Announced on August 24th, 2023

All data related to pages 13 – 23 are as of the merger announcement date or otherwise indicated

Strategic Rationale



Creating a Diversified, High Performing Community Banking Institution

Mid-Atlantic & Southeast Franchise With Scale⁽¹⁾

\$8.1bn **\$5.6bn** **\$6.7bn**
Assets Gross Loans Deposits

Attractive Deposit Franchise

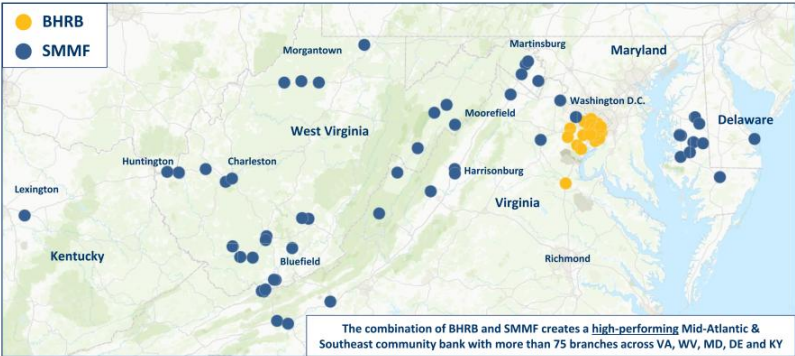
>75 **#3** **Top 10**
Branches Largest Bank Headquartered in Virginia by Assets⁽²⁾ Deposit Market Share in Both Virginia and West Virginia

Peer Leading Performance⁽³⁾

~1.4% **~22%**
Est. 2024 ROAA Est. 2024 ROATCE

Exceptional Return Metrics

>\$115mm **1.2 Year**
Est. First Full Year TBV Earnback⁽³⁾
\$7.90
Est. First Full Year EPS⁽⁴⁾



Source: S&P Global Market Intelligence. Data as of or for most recent quarter available

Note: Deposit Market Share (DMS) data as of 6/30/2022 and estimated pro forma for pending or recently completed acquisitions











(1) Excludes purchase accounting adjustments

(2) Excludes Capital One Financial Corporation

(3) Based on internal estimates for BHRB, consensus Street estimates for SMMF, assumed cost savings with 50% phase in 2024 and purchase accounting adjustments; Assumes 1/1/2024 close; Earnback reflects crossover method

(4) Assumes fully realized cost savings

Combined Leadership: *Executive Management Bios*

<p>David Boyle Chief Executive Officer</p>  <ul style="list-style-type: none"> Served as the President and CEO of BHRB since 2020, prior to which he was the President and COO after joining in 2019 Named Chair of the Board in 2023 Served as EVP and CFO at Orrstown Bank prior to joining BHRB 	<p>Charlie Maddy President</p>  <ul style="list-style-type: none"> Served as the President and Chief Executive Officer of SMMF since 1994 Served as a member of the Board of Directors since 1993 and as CEO of Summit Community Bank, Inc. since 2013 	<p>Roy Halyama Chief Financial Officer</p>  <ul style="list-style-type: none"> Served as the EVP and CFO of BHRB since joining in 2021 Previously served as the CFO of PNC Capital Finance Has 30+ years of experience in various other finance related roles 	<p>Rob Tissue EVP of Financial Strategy</p>  <ul style="list-style-type: none"> Served as EVP and CFO at SMMF Since joining in 1998, had previously served as the Senior VP and CAO Has 30+ years of experience; before joining SMMF he worked in public accounting at Arnett Carbis Toothman 	<p>Joe Hager Chief Operating Officer</p>  <ul style="list-style-type: none"> Served as EVP and CRO of SMMF since 2022, and served as EVP and CRO of Summit Community Bank, Inc. since 2023 Joined SMMF in 2016, serving as the Chief Audit Officer
<p>Jeff Welch Chief Credit Officer</p>  <ul style="list-style-type: none"> Served as Chief Credit Officer, EVP and Chair of the Loan Committee at BHRB Previously served as its SVP in the years since joining the Bank in 2014 Has over 40 years of experience working in credit and lending 	<p>Danyl Freeman EVP & Chief HR Officer</p>  <ul style="list-style-type: none"> Served as EVP & Chief Human Resources Officer since 2019 Began career at SMMF in 1991 and has overseen HR functions since 1997 Teaches classes at the WV School of Banking, one being Principles of Banking 	<p>Jennifer Schmidt Chief Risk Officer</p>  <ul style="list-style-type: none"> Served as the Chief Compliance Officer for BHRB since joining in 2014 Previously served as the Principal VP of Compliance until being promoted to SVP in 2021 and then EVP in 2023 Has over 30 years of experience 	<p>Brad Ritchie Chief Lending Officer</p>  <ul style="list-style-type: none"> Served as EVP of SMMF and President of the subsidiary, Summit Community Bank, Inc. since 2012 Joined SMMF in 2008, prior to which he served as Regional President at United Bank 	<p>Shannon Rowan Director of Trust & Wealth Mgmt.</p>  <ul style="list-style-type: none"> Served as Director of Trust & Wealth Management and EVP at BHRB Previously worked as SVP after joining BHRB in 2011 Served as an area director of financial advisors prior to start at BHRB

Pro Forma Financial Impact

	GAAP Financial Results		Financial Results Excluding AOCI and Rate Marks ⁽¹⁾		GAAP Financial Results Excluding CECL Day-2 Double Count ⁽²⁾	
Earnings Impact	71% 2024E EPS Accretion	92% 2025E EPS Accretion	30% 2024E EPS Accretion	49% 2025E EPS Accretion	63% 2024E EPS Accretion	86% 2025E EPS Accretion
TBV Impact	12.7% Dilution at Close	1.2 Year Earnback ⁽³⁾	4.1% Accretion at Close		10.5% Dilution at Close	1.1 Year Earnback ⁽³⁾
Pro Forma Capital	6.4% TCE / TA	8.1% Leverage Ratio	7.5% TCE / TA	9.3% Leverage Ratio	6.6% TCE / TA	8.3% Leverage Ratio
	10.4% CET1 Ratio	12.5% TRBC Ratio	11.9% CET1 Ratio	14.4% TRBC Ratio	10.7% CET1 Ratio	12.5% TRBC Ratio

⁽¹⁾ Assumes removal of all purchase accounting rate marks (Loans, Securities, AOCI, Leases, Deposits, Subordinated Debt and Preferred Equity)

⁽²⁾ Shown for illustrative purposes; Contemplates potential new FASB accounting implementation

⁽³⁾ Tangible book value earnback calculated using the crossover method

Combined Footprint

✓ Indicates higher than U.S. National Average ⁽¹⁾

Key Combined Markets of Operation

Greater Washington D.C.



PF Deposits: \$3.2bn
PF DMS: 1.07%

- Capital of the U.S.
- Population: 6.44mm
- Pop. CAGR: 1.01% ✓
- Proj. Pop. CAGR: 0.54% ✓
- Median HHI: \$118k ✓
- Proj. Median HHI: \$132k ✓

Charleston, WV



PF Deposits: \$270mm
PF DMS: 3.42%

- Capital of West Virginia
- Population: 252k
- Median HHI: \$52k
- Proj. Median HHI: \$60k

Eastern Shore of MD ⁽²⁾



PF Deposits: \$198mm
PF DMS: 7.60%

- Population: 70k
- Pop. CAGR: 0.24%
- Median HHI: \$75k ✓
- Proj. Median HHI: \$81k

Hagerstown-Martinsburg, MD-WV



PF Deposits: \$176mm
PF DMS: 3.13%

- Population: 302k
- Pop. CAGR: 0.88% ✓
- Proj. Pop. CAGR: 0.70% ✓
- Median HHI: \$68k
- Proj. Median HHI: \$74k

Winchester, VA-WV



PF Deposits: \$148mm
PF DMS: 3.63%

- Fastest Growing Metro in VA
- Population: 147k
- Pop. CAGR: 1.04% ✓
- Proj. Pop. CAGR: 0.95% ✓
- Median HHI: \$82k ✓
- Proj. Median HHI: \$93k ✓

Huntington-Ashland, WV-KY-OH



PF Deposits: \$135mm
PF DMS: 1.77%

- Population: 354k
- Median HHI: \$54k
- Proj. Median HHI: \$59k

Harrisonburg, VA



PF Deposits: \$100mm
PF DMS: 2.83%

- Population: 137k
- Pop. CAGR: 0.70% ✓
- Proj. Pop. CAGR: 0.57% ✓
- Median HHI: \$70k
- Proj. Median HHI: \$81k

Lexington-Fayette, KY



PF Deposits: \$88mm
PF DMS: 0.54%

- Horse Capital of the World
- Population: 523k
- Pop. CAGR: 0.79% ✓
- Proj. Pop. CAGR: 0.52% ✓
- Median HHI: \$77k
- Proj. Median HHI: \$77k

Salisbury, MD-DE



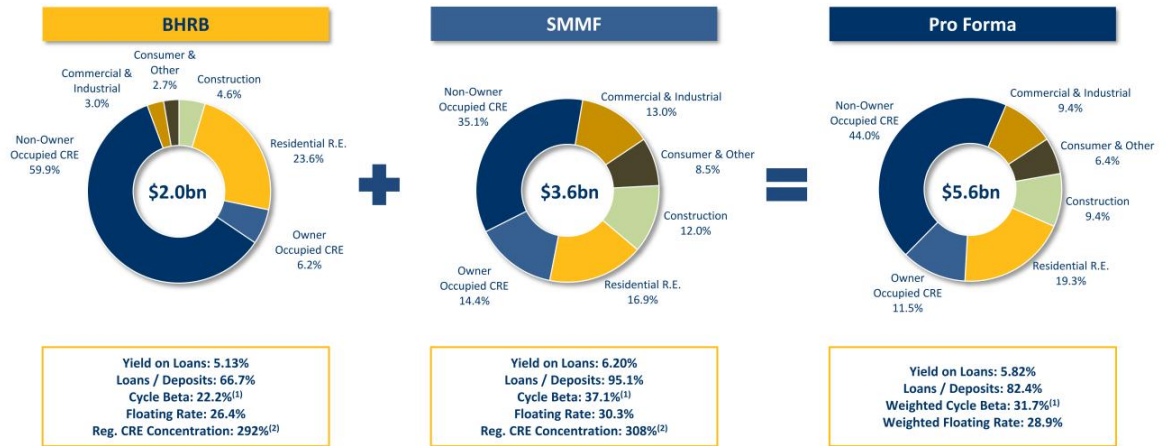
PF Deposits: \$35mm
PF DMS: 0.30%

- Population: 436k
- Pop. CAGR: 1.19% ✓
- Proj. Pop. CAGR: 1.03% ✓
- Median HHI: \$68k
- Proj. Median HHI: \$74k

Source: S&P Global Market Intelligence. Pro forma combined deposit balances exclude purchase accounting adjustments. Deposit market share (DMS) data is as of 6/30/2022 and is pro forma for pending or recently completed acquisitions. Current population and HHI metrics are for the year 2023. Population CAGR is based on 2010 through 2023; Projected population and HHI CAGRs are based on 2023 actual through 2028 projected

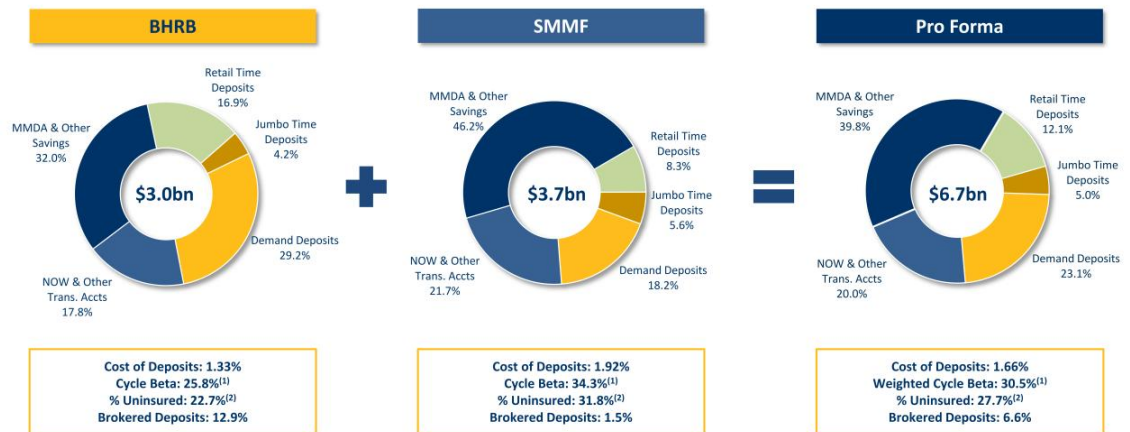
(1) U.S. National Benchmark defined as the median for HHI metrics and as the growth rate pertaining to the total U.S. population for population CAGR metrics; U.S. population CAGR is 0.62%; U.S. projected population CAGR is 0.42%; U.S. median HHI is \$74k; U.S. projected HHI is \$83k
(2) Eastern Shore of MD is made up of the Eastern, MD and Cambridge, MD MSAs; Median HHI calculated using a weighted average based on pro forma deposits

Diversified Pro Forma Loan Composition



Source: S&P Global Market Intelligence. Loan data per consolidated regulatory filings as of 6/30/2023. Pro forma BHRB / SMMF loan balances exclude purchase accounting adjustments. Loan balances may not add to 100% due to rounding.
 Note: Yield on Loans, Loan / Deposit ratio, Cycle Beta and Floating Rate data per GAAP filings as of 6/30/2023.
⁽¹⁾ Represents the difference between Q4 2021 and Q2 2023 in the indicated yield or cost metric divided by 5.16%, or the change in the federal funds rate between 12/15/2021 and 6/30/2023.
⁽²⁾ Commercial real estate loans as defined in the regulatory agencies guidance on commercial real estate (CRE) as a percent of total risk-based capital.

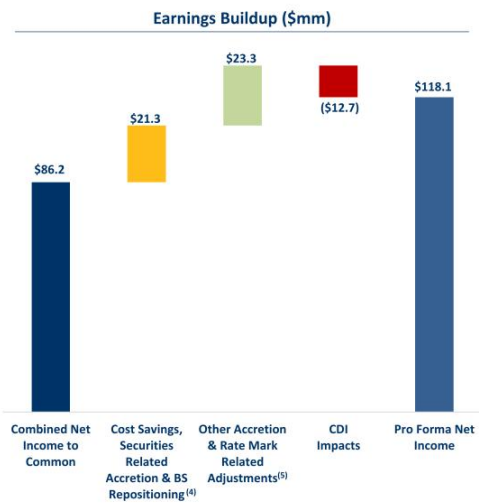
Pro Forma Deposit Composition



Source: S&P Global Market Intelligence; Deposit data per consolidated regulatory filings as of 6/30/2023. Pro forma BHRB / SMMF deposit balances exclude purchase accounting adjustments. Deposit balances may not add to 100% due to rounding.
 Note: Cost of Deposits, Cycle Beta and Brokered Deposit data per GAAP filings; Uninsured Deposit data per regulatory filings as of 6/30/2023. Retail Time Deposits < \$100k and Jumbo Time Deposits > \$100k
⁽¹⁾ Represents the difference between Q4 2021 and Q2 2023 in the indicated yield or cost metric divided by 5.16%, or the change in the federal funds rate between 12/15/2021 and 6/30/2023
⁽²⁾ Estimated uninsured deposit data as of 6/30/2023

Pro Forma Net Income Reconciliation

Pro Forma Earnings Reconciliation	
	2024E
<i>Dollars in millions, except per share data</i>	Pro Forma
Combined Net Income to Common ⁽¹⁾	86.2
After - Tax Transaction Adjustments	
Cost Savings - Fully Realized	14.6
Opportunity Cost of Cash	(1.8)
Benefit of Trust Preferred Redemption ⁽²⁾	0.4
Accretion of HTM Interest Rate Mark and AOCI	8.1
Accretion of Other Interest Rate Marks	18.2
Accretion of Non-PCD Credit Mark	5.1
Core Deposit Amortization from Transaction	(12.7)
Pro Forma Net Income to Common	\$ 118.1
Pro Forma Average Diluted Shares	14.9
Pro Forma EPS - Incl. Rate Accretion	\$7.90
	Price / PF EPS ⁽³⁾
	6.3x



Source: S&P Global Market Intelligence, FactSet Research Systems
⁽¹⁾ Based on internal company estimates for BHRB and consensus 2024 estimates for SMMF, as adjusted for loss of income from interest rate derivative positions
⁽²⁾ Assumes redemption of SMMF's \$19.6mm Trust Preferred at close
⁽³⁾ Based on BHRB's market price of \$49.38 as of 8/23/2023
⁽⁴⁾ Includes cost savings, opportunity cost of cash, benefit of trust preferred redemption and accretion of HTM securities interest rate mark and AOCI
⁽⁵⁾ Includes accretion of interest rate marks on loans, leases, time deposits and subordinated debt and non-PCD credit mark

Transaction Overview

Merger Structure	<ul style="list-style-type: none"> ■ Merger of Equals ■ Accounting and Legal Acquirer: Summit Financial Group, Inc. (SMMF) merges into Burke and Herbert Financial Services Corp. (BHRB), with BHRB surviving as the bank holding company and deemed to be the acquiring entity ■ Bank Merger: Summit Community Bank, Inc. merges into Burke & Herbert Bank & Trust Company, with Burke & Herbert Bank & Trust Company surviving as the bank charter
Ownership	<ul style="list-style-type: none"> ■ Approximately 50% BHRB / 50% SMMF
Structure & Exchange Ratio	<ul style="list-style-type: none"> ■ 100% stock consideration ■ 0.5043x of a BHRB share for each SMMF share; Implied price per share \$25.20 ⁽¹⁾ ■ Aggregate transaction value of \$371.5mm ⁽¹⁾
Senior Executives	<ul style="list-style-type: none"> ■ Chair & CEO Holding Company: David Boyle (BHRB) ■ President: Charlie Maddy (SMMF) ■ Chief Financial Officer: Roy Halyama (BHRB) ■ EVP of Financial Strategy: Rob Tissue (SMMF) ■ Chief Credit Officer: Jeff Welch (BHRB) ■ Chief Operating Officer: Joe Hager (SMMF)
Board Composition	<ul style="list-style-type: none"> ■ 16 directors, comprised of eight from each of BHRB and SMMF ■ Vice Chair: Oscar Bean from SMMF
Brand & Headquarters	<ul style="list-style-type: none"> ■ Burke & Herbert Bank & Trust ■ Headquarters: Alexandria, VA ■ Major operations center: Moorefield, WV
Timing & Approvals	<ul style="list-style-type: none"> ■ Anticipated closing in Q1 2024 ■ Subject to BHRB and SMMF shareholder approvals and required regulatory approvals

⁽¹⁾ Based on BHRB's market price of \$49.98 as of 8/23/2023

Key Assumptions

Earnings Assumptions	<ul style="list-style-type: none"> ■ BHRB's earnings per internal company estimates ■ SMMF's earnings per Street consensus estimates, as adjusted for lost income from interest rate derivative positions
Merger Costs	<ul style="list-style-type: none"> ■ One-time merger expenses of approximately \$45.5 million after-tax
Synergies	<ul style="list-style-type: none"> ■ Cost savings of approximately 11% of combined noninterest expense <ul style="list-style-type: none"> — Phased in 50% in 2024 and 100% thereafter
Loan Credit Marks	<ul style="list-style-type: none"> ■ Gross credit mark: \$40.5 million <ul style="list-style-type: none"> — Non-PCD loan credit mark: \$16.6 million, accreted back into earnings over 4 years sum of the years digits — PCD loan credit mark: \$24.0 million — Day-2 CECL reserve equal to \$16.6 million
AOCI	<ul style="list-style-type: none"> ■ After-tax negative AOCI of approximately \$35.0 million is accreted back into earnings straight-line over 5 years
Other Purchase Accounting Marks (pre-tax)	<ul style="list-style-type: none"> ■ Loan portfolio write-down of \$122.3 million accreted straight-line over 3.5 years (mark is net of remaining marks from SMMF's PSB Holding Corp. acquisition) ■ HTM securities portfolio write-down of \$8.1 million accreted straight-line over 6 years ■ Favorable lease write-up of \$1.2 million amortized sum of the years digits over 5 years ■ Deposit portfolio (time deposits) write-down of \$15.3 million accreted sum of the years digits over 3 years (mark is net of remaining marks from SMMF's PSB Holding Corp. acquisition) ■ Subordinated debt write-down of \$24.2 million amortized straight-line over 7.5 years ■ Preferred equity fair value discount of \$5.6 million
Other Assumptions	<ul style="list-style-type: none"> ■ \$66.0 million core deposit intangible amortized sum of the years digits over 7 years ■ Assumes redemption of SMMF Trust preferred at close ■ Pre-tax cost of cash of 5.25% ■ Assumes marginal tax rate of 23.0%

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.

Total Revenue (thousands)	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Net Interest Income	\$ 89,716	\$ 96,603	\$ 103,692	\$ 93,759
Add: Total Non-interest Income	19,004	17,251	17,087	17,952
Total Revenue (non-GAAP)	\$ 108,720	\$ 113,854	\$ 120,779	\$ 111,711

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. The tax-rate used for this adjustment is 21%. Net interest income shown elsewhere in this presentation is GAAP net interest income.

Tax-Equivalent Net Interest Income (thousands)	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Interest Income – Loans	\$ 78,262	\$ 73,170	\$ 73,640	\$ 101,800
Interest Income – Securities (taxable)	13,288	17,537	29,616	37,179
Interest Income – Securities (tax-exempt)	8,737	9,907	8,940	5,615
Interest Income – Other	710	206	437	2,302
Interest Expense – Deposits	9,696	2,746	3,742	39,195
Interest Expense – Borrowed Funds	1,579	1,432	5,136	13,856
Interest Expense – Other	6	39	63	86
Total Net Interest Income	\$ 89,716	\$ 96,603	\$ 103,692	\$ 93,759
Add: Tax benefit on Interest Income – Securities (tax-exempt)	2,322	2,634	2,375	1,493
Total Tax-Equivalent Net Interest Income (non-GAAP)	\$ 92,038	\$ 99,237	\$ 106,067	\$ 95,252
Average earning assets	\$ 3,042,533	\$ 3,341,443	\$ 3,327,272	\$ 3,345,347
Net interest Margin (percentage) (non-GAAP)	3.03	2.97	3.19	2.85

Appendix: Notes on Non-GAAP Financial Measures

Tangible Book Value per share (TBVPS) & TBVPS (excluding Securities AOCI): TBVPS represents the Company's tangible common equity at period-end divided by common shares at period-end. Currently, there are no adjustments from common equity to determine tangible common equity for the periods presented. TBVPS (excluding Securities AOCI) is tangible common equity defined above less tax-effected accumulated securities other comprehensive income.

Tangible book value per common share (thousands, except share data)	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Total shareholders' equity	\$ 384,877	\$ 389,627	\$ 273,453	\$ 314,750
Less: Adjustments	—	—	—	—
Tangible common equity (non-GAAP)	\$ 384,877	\$ 389,627	\$ 273,453	\$ 314,750
Less: Securities AOCI	28,905	12,975	(130,875)	(98,068)
TCE less Securities AOCI (non-GAAP)	\$ 355,972	\$ 376,652	\$ 404,328	\$ 412,818
Ending common shares outstanding	7,448,080	7,423,760	7,425,760	7,428,710
Tangible book value per share (TBVPS)	\$ 51.67	\$ 52.48	\$ 36.82	\$ 42.37
TBVPS less Securities AOCI	\$ 47.79	\$ 50.74	\$ 54.45	\$ 55.57

