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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-41633

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

Virginia	**92-0289417**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
100 S. Fairfax Street, Alexandria, Virginia	**22314**
(Address of principal executive offices)	(Zip Code)

703-666-3555
Registrant's telephone number, including area code

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

Title of Each Class	Trading symbol	Name of Exchange on which registered
Common Stock, par value $0.50 per share	**BHRB**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 5, 2026, there were 20,149,806 shares of the registrant's common stock outstanding.

TABLE OF CONTENTS

	Page
Part I - Financial Information	1
Item 1. Financial Statements	1
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	41
Item 3. Quantitative and Qualitative Disclosures About Market Risk	68
Item 4. Controls and Procedures	70
Part II - Other Information	71
Item 1. Legal Proceedings	71
Item 1A. Risk Factors	71
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	71
Item 3. Defaults Upon Senior Securities	71
Item 4. Mine Safety Disclosures	71
Item 5. Other Information	71
Item 6. Exhibits	72
Signatures	73

Part I - Financial Information

Item 1. Financial Statements

Burke & Herbert Financial Services Corp. Consolidated Financial Statements:

	Page
Consolidated Balance Sheets as of March 31, 2026 (Unaudited), and December 31, 2025	2
Consolidated Statements of Income for the Three Months Ended March 31, 2026, and March 31, 2025 (Unaudited)	3
Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2026, and March 31, 2025 (Unaudited)	4
Consolidated Statements of Changes in Shareholders’ Equity for the Three Months Ended March 31, 2026, and March 31, 2025 (Unaudited)	5
Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2026, and March 31, 2025 (Unaudited)	6
Notes to the Consolidated Financial Statements (Unaudited)	8

Burke & Herbert Financial Services Corp.
Consolidated Balance Sheets
(In thousands, except share and per share data)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Assets		
Cash and due from banks	$ 53,940	$ 53,497
Interest-earning deposits with banks	15,652	235,630
Cash and cash equivalents	69,592	289,127
Securities available-for-sale, at fair value	1,826,037	1,615,954
Restricted stock, at cost	45,811	42,187
Loans held-for-sale	—	365
Loans	5,404,667	5,387,676
Allowance for credit losses	(67,955)	(67,823)
Net loans	5,336,712	5,319,853
Other real estate owned, net	3,106	2,689
Premises and equipment, net	136,806	136,809
Accrued interest receivable	37,625	35,442
Intangible assets	38,063	41,747
Goodwill	36,253	34,149
Company-owned life insurance	214,606	213,200
Other assets	183,100	189,104
Total Assets	$ 7,927,711	$ 7,920,626
Liabilities and Shareholders' Equity		
Liabilities		
Non-interest-bearing deposits	$ 1,367,050	$ 1,336,380
Interest-bearing deposits	4,965,215	5,067,561
Total deposits	6,332,265	6,403,941
Short-term borrowings	525,000	450,000
Subordinated debentures, net	71,510	70,222
Subordinated debentures owed to unconsolidated subsidiary trusts	17,331	17,268
Accrued interest and other liabilities	117,101	124,546
Total Liabilities	7,063,207	7,065,977
Commitments and contingent liabilities (see Note 10)		
Shareholders' Equity		
Preferred stock and related surplus, $1.00 par value per share; 2,000,000 shares authorized; 1,500 shares issued and outstanding at March 31, 2026; 1,500 shares issued and outstanding at December 31, 2025	10,413	10,413
Common Stock	7,809	7,800
$0.50 par value; 40,000,000 shares authorized, 15,617,231 shares issued and 15,045,941 shares outstanding at March 31, 2026; 40,000,000 shares authorized, 15,599,814 shares issued and 15,028,524 shares outstanding at December 31, 2025		
Common stock, additional paid-in capital	407,070	405,922
Retained earnings	535,798	517,058
Accumulated other comprehensive income (loss)	(69,002)	(58,960)
Treasury stock	(27,584)	(27,584)
571,290 shares, at cost, at March 31, 2026, and 571,290 shares, at cost, at December 31, 2025		
Total Shareholders' Equity	864,504	854,649
Total Liabilities and Shareholders' Equity	$ 7,927,711	$ 7,920,626

See Notes to Consolidated Financial Statements.

Burke & Herbert Financial Services Corp.
Consolidated Statements of Income
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2026	**2025**
Interest income		
Taxable loans, including fees	$ 88,083	$ 97,031
Tax-exempt loans, including fees	40	46
Taxable securities	9,758	9,487
Tax-exempt securities	6,082	3,267
Other interest income	1,493	955
Total interest income	105,456	110,786
Interest expense		
Deposits	26,720	31,851
Short-term borrowings	4,590	3,192
Subordinated debt	2,269	2,729
Other interest expense	34	27
Total interest expense	33,613	37,799
Net interest income	71,843	72,987
Credit loss expense - loans and available-for-sale securities	213	900
Credit loss expense (recapture) - off-balance sheet credit exposures	(201)	(399)
Total provision for credit losses	12	501
Net interest income after credit loss expense	71,831	72,486
Non-interest income		
Fiduciary and wealth management	3,227	2,443
Service charges and fees	1,855	2,178
Net gains on securities	1,799	1
Income from company-owned life insurance	1,479	1,193
Bank debit and other card revenue	2,835	2,884
Other non-interest income	1,658	1,324
Total non-interest income	12,853	10,023
Non-interest expense		
Salaries and wages	21,413	20,941
Pensions and other employee benefits	5,370	5,136
Occupancy	4,027	4,045
Equipment rentals, depreciation and maintenance	4,188	4,084
Core deposit intangible amortization	3,684	4,298
ATM, card and network expense	1,134	1,132
FDIC and other regulatory assessments	1,140	914
Other operating	10,425	9,114
Total non-interest expense	51,381	49,664
Income before income taxes	33,303	32,845
Income tax expense	5,954	5,644
Net income	27,349	27,201
Preferred stock dividends	225	225
Net income applicable to common shares	**$ 27,124**	**$ 26,976**
Earnings per common share:		
Basic	$ 1.80	$ 1.80
Diluted	1.79	1.80

See Notes to Consolidated Financial Statements.

Burke & Herbert Financial Services Corp.
Consolidated Statements of Comprehensive Income
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
Net income	$ 27,349	$ 27,201
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities:		
Unrealized (loss) gain arising during period, net of tax of $2,933 and ($2,296) for the three months ended March 31, 2026, and March 31, 2025, respectively	(9,882)	7,688
Reclassification adjustment for (gain) on securities, net of tax of $412 and $0 for the three months ended March 31, 2026, and March 31, 2025, respectively	(1,387)	(1)
Reclassification adjustment for (gain) on fair value hedge, net of tax of $9 and $9 for the three months ended March 31, 2026, and March 31, 2025, respectively	(31)	(31)
Defined benefit pension plans:		
Changes in pension plan benefits, net of tax of $— and $— for the three months ended March 31, 2026, and March 31, 2025, respectively	—	—
Unrealized gain (loss) on cash flow hedge:		
Unrealized holding gain on cash flow hedge, net of tax of ($382) and ($111) for the three months ended March 31, 2026, and March 31, 2025, respectively	1,286	370
Reclassification adjustment for (gains) included in net income, net of tax $8 and $99 for the three months ended March 31, 2026, and March 31, 2025, respectively	(28)	(330)
Total other comprehensive (loss) income	(10,042)	7,696
Comprehensive income	$ 17,307	$ 34,897

See Notes to Consolidated Financial Statements.

Burke & Herbert Financial Services Corp.
Consolidated Statements of Changes in Shareholders' Equity
For the Three Months Ended March 31, 2026, and 2025
(In thousands, except share and per share data)
(Unaudited)

		Common Stock						
	Preferred Stock and Surplus	Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Comprehensive Income (Loss)	Treasury Stock	Shareholders' Equity
Balance December 31, 2025	$ 10,413	15,028,524	$ 7,800	$ 405,922	$ 517,058	$ (58,960)	$ (27,584)	$ 854,649
Net income	—	—	—	—	27,349	—	—	27,349
Other comprehensive income	—	—	—	—	—	(10,042)	—	(10,042)
(Purchase) sale of treasury stock, net	—	—	—	—	—	—	—	—
Common stock cash dividends, declared	—	—	—	—	(8,271)	—	—	(8,271)
Preferred stock cash dividends, declared	—	—	—	—	(225)	—	—	(225)
Share-based compensation expense, net	—	17,417	9	1,148	(113)	—	—	1,044
Balance March 31, 2026	$ 10,413	15,045,941	$ 7,809	$ 407,070	$ 535,798	$ (69,002)	$ (27,584)	$ 864,504
Balance December 31, 2024	$ 10,413	14,969,104	$ 7,770	$ 401,172	$ 434,106	$ (95,720)	$ (27,584)	$ 730,157
Net income	—	—	—	—	27,201	—	—	27,201
Other comprehensive income	—	—	—	—	—	7,696	—	7,696
(Purchase) sale of treasury stock, net	—	—	—	—	—	—	—	—
Common stock cash dividends, declared	—	—	—	—	(8,237)	—	—	(8,237)
Preferred stock cash dividends, declared	—	—	—	—	(225)	—	—	(225)
Share-based compensation expense, net	—	13,703	7	1,510	(109)	—	—	1,408
Balance March 31, 2025	$ 10,413	14,982,807	$ 7,777	$ 402,682	$ 452,736	$ (88,024)	$ (27,584)	$ 758,000

See Notes to Consolidated Financial Statements.

Burke & Herbert Financial Services Corp.
Consolidated Statements of Cash Flows
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
Cash Flows from Operating Activities		
Net Income	$ 27,349	$ 27,201
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of fixed assets	1,868	1,671
Amortization of other intangible assets	3,714	4,328
Amortization on assumed liabilities	1,351	2,221
Accretion income related to acquired loans	(6,817)	(11,447)
Amortization of housing tax credits	1,531	1,859
Realized (gain) on sales of available-for-sale securities	(1,799)	(1)
Realized loss on sales of OREO property	—	2
Provision for credit losses	12	501
Income from company-owned life insurance	(1,479)	(1,193)
Deferred tax expense (benefit)	2,040	(1,495)
Loss on disposal of fixed assets	9	88
Accretion of securities	(1,648)	(1,003)
Amortization of securities	2,533	2,400
Share-based compensation expense	1,148	1,305
Repayment of operating lease liabilities	(670)	(626)
(Gain) on loans held-for-sale	(24)	(78)
Proceeds from sale of loans held-for-sale	2,573	6,647
Originations of loans held-for-sale	(2,184)	(5,540)
(Increase) in accrued interest receivable	(2,183)	(27)
Decrease (increase) in other assets	5,928	(24,845)
(Decrease) increase in accrued interest payable and other liabilities	(6,750)	35,679
Net cash flows provided by operating activities	$ 26,502	$ 37,647
Cash Flows from Investing Activities		
Proceeds from maturities, prepayments, and calls of securities available-for-sale, net	30,357	50,373
Proceeds from sale of securities available-for-sale, net	65,418	—
Purchases of securities available-for-sale, net	(319,559)	(48,542)
Business acquisitions, net	(1,300)	—
Sales of restricted stock	—	29,068
Purchases of restricted stock	(3,624)	(30,621)
Purchases of property and equipment, net of disposals	(1,874)	(1,778)
Proceeds from company-owned life insurance	73	—
Proceeds from sale of OREO property	—	161
(Increase) decrease in loans made to customers, net	(10,471)	23,944
Net cash flows (used in) provided by investing activities	$ (240,980)	$ 22,605
Cash Flows from Financing Activities		
Net increase in non-interest-bearing accounts	30,670	2,487
Net increase (decrease) in interest-bearing accounts	(102,346)	24,145
Net increase (decrease) in other short-term borrowings	75,000	(65,000)
Repayment of finance lease liabilities	(78)	(56)
Cash dividends paid	(8,496)	(8,462)

Burke & Herbert Financial Services Corp.
Consolidated Statements of Cash Flows
(In thousands, except share and per share data)
(Unaudited)

Proceeds from employee stock purchase program		184		63
Issuance of common stock		9		103
Net cash flows (used in) financing activities	$	(5,057)	$	(46,720)
(Decrease) increase in cash and cash equivalents		(219,535)		13,532
Cash and cash equivalents				
Beginning of period		289,127		135,314
End of period	$	69,592	$	148,846
Supplemental Disclosures of Cash Flow Information				
Cash payments for:				
Interest paid to depositors	$	26,756	$	32,672
Interest paid on short-term borrowings		3,049		3,732
Interest paid on subordinated debt and trust preferred securities		318		1,326
Interest paid on finance leases		35		27
Income taxes paid (net of refunds)		26		3,595
Change in unrealized gains on available-for-sale securities		(14,615)		7,726
Lease liability arising from obtaining right-of-use assets		600		—
Loans transferred to other real estate owned		417		—

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

Note 1— Nature of Business Activities and Significant Accounting Policies

Nature of operations

The consolidated financial statements include Burke & Herbert Financial Services Corp. ("Burke & Herbert") and its wholly-owned subsidiary Burke & Herbert Bank & Trust Company ("the Bank"), together referred to as "the Company" for purposes of the Notes to the Financial Statements. As of close of the calendar year 2025, we ceased to be an emerging growth company and became a large accelerated filer. Therefore, we are no longer exempt from the requirements under Section 404 of the Sarbanes-Oxley Act and are no longer able to take advantage of exemptions from various public company reporting requirements applicable to emerging growth companies.

Burke & Herbert Financial Services Corp. was organized as a Virginia corporation in 2022 to serve as the holding company for the Bank. Burke & Herbert became a bank holding company when it commenced operations on October 1, 2022, following a reorganization transaction in which it acquired control of the Bank under the Bank Holding Company Act of 1956 ("BHCA"). This transaction was treated as an internal reorganization as all shareholders of the Bank became shareholders of Burke & Herbert. Burke & Herbert has no material operations other than owning the Bank. In September 2023, Burke & Herbert elected to become a financial holding company under the BHCA. As a financial holding company of a Virginia state bank, the Company is subject to regulation, supervision, and examination by the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the Bureau of Financial Institutions of the Virginia State Corporation Commission (the "Virginia BFI"). The Bank is a Virginia chartered commercial bank that commenced operations in 1852. The Bank became a member of the Federal Reserve System on December 31, 2024. The Bank is subject to regulation, supervision, and examination by the Federal Reserve (through the Federal Reserve Bank of Richmond) and the Virginia BFI.

The Bank's primary market area includes northern Virginia and West Virginia, and as of March 31, 2026, it has over 77 branches and commercial loan offices across Delaware, Kentucky, Maryland, Virginia, and West Virginia. The Company's branch locations accept business and consumer deposits from a diverse customer base. The Company's deposit products include checking, savings, and term certificate accounts. The Company's loan portfolio includes commercial and consumer loans, a substantial portion of which are secured by real estate.

Merger with LINKBANCORP, Inc.

Effective on May 1, 2026 (the "Closing Date"), Burke & Herbert Financial Services Corp., a Virginia corporation ("Burke & Herbert"), completed its previously announced merger with LINKBANCORP, Inc., a Pennsylvania corporation ("LNKB"), pursuant to the Agreement and Plan of Merger dated December 18, 2025 between Burke & Herbert and LNKB (the "LNKB Merger Agreement").

Pursuant to the LNKB Merger Agreement, on the Closing Date, (i) LNKB merged with and into Burke & Herbert, with Burke & Herbert continuing as the surviving corporation (the "LNKB Merger"), and (ii) immediately following the LNKB Merger, LINKBANK, a Pennsylvania chartered commercial bank and a wholly-owned subsidiary of LNKB ("Link"), merged with and into Burke & Herbert Bank & Trust Company, a Virginia chartered bank ("Burke & Herbert Bank") and a wholly-owned subsidiary of Burke & Herbert, with Burke & Herbert Bank as the surviving bank.

Pursuant to the LNKB Merger Agreement, at the effective time of the LNKB Merger (the "Effective Time"), each LNKB share of common stock, par value $0.01 per share ("LNKB Common Stock") issued and outstanding immediately prior to the Effective Time, other than certain shares held by Burke & Herbert and LNKB, was converted into the right to receive 0.1350 shares of Burke & Herbert common stock. Holders of LNKB Common Stock will receive cash in lieu of fractional shares of Burke & Herbert common stock in accordance with the terms of the LNKB Merger Agreement. The total aggregate consideration payable in the LNKB Merger was approximately 5,082,657 shares of Burke & Herbert Common Stock. Management is currently evaluating the fair values of the assets acquired and liabilities assumed as a result of the merger.

Basis of Presentation

The accompanying consolidated financial statements include Burke & Herbert Financial Services Corp. and its wholly owned subsidiary Burke & Herbert Bank & Trust Company and have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial reporting and with applicable quarterly reporting regulations of the U.S. Securities and Exchange Commission ("SEC"). The accounting and reporting

Note 1— Nature of Business Activities and Significant Accounting Policies (continued)

policies of the Company conform to GAAP and reflect practices of the banking industry. They do not include all of the information and notes required by GAAP for complete financial statements. As such, these unaudited financial statements should be read in conjunction with the consolidated financial statements and notes thereto as of and for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K filed with the SEC on February 27, 2026.

The consolidated financial statements include the accounts of the Company and the Bank (as its wholly-owned subsidiary). All significant intercompany accounts and transactions between the Company and the Bank have been eliminated. In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In the opinion of management, all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair presentation of the results of operations in these financial statements, have been made. The results of operations for the three months ended March 31, 2026, are not necessarily indicative of the results to be expected for any other interim period or for the full year. All December 31, 2025, amounts and disclosures included in this quarterly report were derived from the Company's audited consolidated financial statements. Certain items in the prior period have been reclassified to conform to the current presentation. These reclassifications had no effect on prior year net income or on shareholders' equity.

Adoption of new accounting standards

In November 2025, the FASB issued ASU 2025-08, *Financial Instruments - Credit Losses (Topic 326): Purchased Loans.* This ASU amends the accounting for certain acquired loans by expanding the use of the "gross-up" approach under the CECL model to include purchased seasoned loans. Under this approach, the allowance for expected credit losses is recognized at the acquisition date as an adjustment to the loan's amortized cost basis, rather than through a provision for credit losses, thereby eliminating a "day-one" credit loss expense for loans within the scope of the guidance. The amendments do not change the accounting for purchased credit-deteriorated loans, originated loans, credit card loans, or debt securities. The amendments in this update are effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years, and are to be applied on a prospective basis. Early adoption is permitted. As permitted, the Company has elected to early adopt the amended guidance on January 1, 2026 on a prospective basis. The Company expects that substantially all the loans acquired in the LNKB Merger will be considered seasoned.

Newly issued not yet adopted accounting standards

In November 2024, the FASB issued ASU 2024-03, *Income Statement (Subtopic 220-40): Reporting Comprehensive Income—Expense Disaggregation Disclosures.* This ASU seeks to improve disclosures about a public business entity's expenses and addresses requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. This ASU is not expected to have a material impact on our consolidated financial statements.

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. This ASU incorporates certain amendments to SEC disclosure requirements into the FASB Accounting Standards Codification. The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics, allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. For entities subject to the SEC's existing disclosure requirements and for entities required to file or furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer, the effective date for each amendment will be the date on which the SEC's removal of the related disclosure requirement becomes effective. For all other entities, the effective date will be two years after the date of such removal. However, if by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and not become effective for any entity. We do not expect the adoption of ASU 2023-06 to have a material impact on our consolidated financial statements.

Table of Contents

Note 2— Securities

The carrying amount of available-for-sale ("AFS") securities and their approximate fair values at March 31, 2026, and December 31, 2025, are summarized as follows (in thousands):

	March 31, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available-for-Sale				
U.S. Treasuries and government agencies	$ 158,733	$ —	$ 9,270	$ 149,463
Obligations of states and municipalities	1,054,158	1,868	65,757	990,269
Residential mortgage backed - agency	60,008	357	2,990	57,375
Residential mortgage backed - non-agency	379,401	1,097	8,012	372,486
Commercial mortgage backed - agency	72,465	29	810	71,684
Commercial mortgage backed - non-agency	100,064	282	1,969	98,377
Asset-backed	50,732	111	543	50,300
Other	36,954	186	1,057	36,083
Total	$ 1,912,515	$ 3,930	$ 90,408	$ 1,826,037

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available-for-Sale				
U.S. Treasuries and government agencies	$ 159,088	$ —	$ 8,964	$ 150,124
Obligations of states and municipalities	977,104	5,414	59,944	922,574
Residential mortgage backed - agency	57,731	464	2,810	55,385
Residential mortgage backed - non-agency	221,443	1,860	5,211	218,092
Commercial mortgage backed - agency	74,253	250	607	73,896
Commercial mortgage backed - non-agency	112,082	584	1,557	111,109
Asset-backed	53,954	89	577	53,466
Other	32,162	158	1,012	31,308
Total	$ 1,687,817	$ 8,819	$ 80,682	$ 1,615,954

At March 31, 2026, and December 31, 2025, AFS securities with amortized costs of $1.1 billion and $1.1 billion, respectively, and with estimated fair values of $1.0 billion and $1.1 billion, respectively, were pledged to serve as collateral for secured borrowings, derivative exposures, or to secure public deposits as required or permitted by law.

The proceeds from sales, calls, and maturities of debt securities available-for-sale, including principal payments received, and the related gross gains and losses realized, for the three months ended March 31, 2026, and March 31, 2025, were as follows (in thousands):

	Proceeds from			Gross realized	
Three Months Ended March 31,	**Sales**	**Calls and maturities**	**Principal Payments**	**Gains**	**Losses**
2026	$ 65,418	$ 11,215	$ 19,142	$ 2,004	$ 205
2025	—	10,867	39,506	1	—

The tax benefit (provision) related to the net realized gains and losses for the three months ended March 31, 2026, and March 31, 2025, was ($411.8) thousand, and ($0.2) thousand, respectively.

The maturities of AFS securities at March 31, 2026, were as follows (in thousands): (Expected maturities of securities not due at a single maturity date are based on average life at estimated prepayment speed. Expected maturities may differ from

Note 2— Securities (continued)

contractual maturities because borrowers have the right to call or prepay some obligations with or without call or prepayment penalties).

	March 31, 2026				
	Amortized Cost				
	One Year or Less	One to Five Years	Five to Ten Years	After Ten Years	Total
Securities Available-for-Sale					
U.S. Treasuries and government agencies	$ —	$ 158,733	$ —	$ —	$ 158,733
Obligations of states and municipalities	6,000	273,806	543,525	230,827	1,054,158
Residential mortgage backed - agency	—	25,872	26,284	7,852	60,008
Residential mortgage backed - non-agency	2,014	82,568	267,098	27,721	379,401
Commercial mortgage backed - agency	—	46,711	25,754	—	72,465
Commercial mortgage backed - non-agency	7,162	66,128	26,774	—	100,064
Asset-backed	2,610	33,268	14,854	—	50,732
Other	—	2,811	25,034	9,109	36,954
Total	$ 17,786	$ 689,897	$ 929,323	$ 275,509	$ 1,912,515

	March 31, 2026				
	Fair Value				
	One Year or Less	One to Five Years	Five to Ten Years	After Ten Years	Total
Securities Available-for-Sale					
U.S. Treasuries and government agencies	$ —	$ 149,463	$ —	$ —	$ 149,463
Obligations of states and municipalities	5,982	261,801	514,455	208,031	990,269
Residential mortgage backed - agency	—	25,920	23,350	8,105	57,375
Residential mortgage backed - non-agency	2,000	80,279	262,595	27,612	372,486
Commercial mortgage backed - agency	—	46,197	25,487	—	71,684
Commercial mortgage backed - non-agency	7,108	64,213	27,056	—	98,377
Asset-backed	2,599	32,994	14,707	—	50,300
Other	—	2,888	24,243	8,952	36,083
Total	$ 17,689	$ 663,755	$ 891,893	$ 252,700	$ 1,826,037

At March 31, 2026, and December 31, 2025, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in any amount greater than 10% of shareholders' equity.

Note 2— Securities (continued)

The following table shows the gross unrealized losses and fair value of the Company's securities with unrealized losses aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2026, and December 31, 2025.

AFS securities in a continuous unrealized loss position for less than twelve months and more than twelve months are as follows (in thousands):

	March 31, 2026				
	Less Than Twelve Months		More Than Twelve Months		
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Total Unrealized Losses
Securities Available-for-Sale					
U.S. Treasuries and government agencies	$ —	$ —	$ 149,463	$ 9,270	$ 9,270
Obligations of states and municipalities	311,372	5,567	494,147	60,190	65,757
Residential mortgage backed - agency	20,341	98	19,335	2,892	2,990
Residential mortgage backed - non-agency	180,092	2,877	82,348	5,135	8,012
Commercial mortgage backed - agency	45,025	373	25,202	437	810
Commercial mortgage backed - non-agency	45,095	485	21,778	1,484	1,969
Asset-backed	13,342	47	25,103	496	543
Other	—	—	22,271	1,057	1,057
Total	$ 615,267	$ 9,447	$ 839,647	$ 80,961	$ 90,408

	December 31, 2025				
	Less Than Twelve Months		More Than Twelve Months		
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Total Unrealized Losses
Securities Available-for-Sale					
U.S. Treasuries and government agencies	$ —	$ —	$ 150,124	$ 8,964	$ 8,964
Obligations of states and municipalities	134,143	1,852	513,623	58,092	59,944
Residential mortgage backed - agency	4,461	4	24,832	2,806	2,810
Residential mortgage backed - non-agency	11,545	17	85,750	5,194	5,211
Commercial mortgage backed - agency	14,987	93	26,032	514	607
Commercial mortgage backed - non-agency	29,730	131	30,175	1,426	1,557
Asset-backed	14,531	38	27,750	539	577
Other	—	—	22,288	1,012	1,012
Total	$ 209,397	$ 2,135	$ 880,574	$ 78,547	$ 80,682

The Company is required to conduct an impairment evaluation on AFS securities to determine whether the Company has the intent to sell the security or it is more likely than not that it will be required to sell the security before recovery. If these situations apply, the guidance requires the Company to reduce the security's amortized cost basis down to its fair value through earnings. The Company also evaluates the unrealized losses on AFS securities to determine if a security's decline in fair value below its amortized cost basis is due to credit factors. The evaluation is based upon factors such as the creditworthiness of the underlying borrowers, performance of the underlying collateral, if applicable, and the level of credit support in the security structure. Management also evaluates other factors and circumstances that may be indicative of a decline in the fair value of the security due to a credit factor.

This includes, but is not limited to, an evaluation of the type of security, length of time and extent to which the fair value has been less than cost, and near-term prospects of the issuer. If this assessment indicates that a credit loss exists, the present value of the expected cash flows of the security is compared to the amortized cost basis of the security. If the present value of the cash flows expected to be collected is less than the amortized cost, an allowance for credit losses ("ACL") is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis under the current expected credit loss ("CECL") standard, and declines due to non-credit factors are recorded in accumulated

other comprehensive income (“AOCI”), net of taxes. If a credit loss is recognized in earnings, subsequent improvements to the expectation of collectability will be recognized through the ACL. If the fair value of the security increases above its amortized cost, the unrealized gain will be recorded in accumulated other comprehensive income, net of taxes, in the Consolidated Balance Sheets.

The Company did not record an ACL on the AFS securities as of March 31, 2026, or December 31, 2025. The Company considers the unrealized losses on the AFS securities to be related to fluctuations in market conditions, primarily interest rates, and not reflective of deterioration in credit. The Company had 478 securities in an unrealized loss position as of March 31, 2026. The Company has evaluated AFS securities in an unrealized loss position for credit-related impairment at March 31, 2026, and concluded no impairment existed based on a combination of factors, which included: (1) the securities are of high credit quality, (2) unrealized losses are primarily the result of market volatility and increases in market interest rates, (3) the contractual terms of the investments do not permit the issuer(s) to settle the securities at a price less than the par value of each investment, (4) issuers continue to make timely principal and interest payments, and (5) the Company does not intend to sell any of the investments and the accounting standard of “more likely than not” has not been met for the Company to be required to sell any of the investments before recovery of its amortized cost basis. As such, there was no ACL on AFS securities at March 31, 2026.

Securities of U.S. Treasury and Federal Agencies and Federal Agency Mortgage (Residential and Commercial) Backed Securities

At March 31, 2026, the unrealized losses associated with 10 U.S. Treasuries and Government Agency securities, 11 Residential Mortgage Backed – Agency securities, and 15 Commercial Mortgage Backed – Agency securities were generally driven by changes in interest rates and not due to credit losses given the explicit or implicit guarantees provided by the U.S. government. Therefore, the Company has concluded that the unrealized losses for these securities do not require an ACL at March 31, 2026.

Securities of U.S. States and Municipalities

At March 31, 2026, the unrealized losses associated with 347 State and Municipal securities were primarily caused by changes in interest rates and not the credit quality of the securities. These securities are investment grade and were generally underwritten in accordance with our own investment standards prior to the decision to purchase, without relying on a bond insurer’s guarantee in making the investment decision. These securities will continue to be monitored as part of our ongoing impairment analysis but are expected to perform, even if the rating agencies reduce the credit rating of the bond insurers. As a result, we expect to recover the entire amortized cost basis of these securities. Therefore, the Company has concluded that the unrealized losses for these securities do not require an ACL at March 31, 2026.

Residential & Commercial Mortgage Backed – Non-Agency Securities

At March 31, 2026, the unrealized losses associated with 63 Residential Mortgage Backed – Non-Agency securities and 8 Commercial Mortgage Backed – Non-Agency securities were generally driven by changes in interest rates, credit spreads, and projected collateral losses. We assess for credit impairment by estimating the present value of expected cash flows. The key assumptions for determining expected cash flows include default rates, loss severities, and/or prepayment rates. Based on our assessment of the expected credit losses and the credit enhancement level of the securities, we expect to recover the entire amortized cost of these securities. Therefore, the Company has concluded that the unrealized losses for these securities do not require an ACL at March 31, 2026.

Asset-Backed Securities

At March 31, 2026, the unrealized losses associated with 17 Asset-Backed securities were generally driven by changes in interest rates, credit spreads, and projected collateral losses. We assess for credit impairment by estimating the present value of expected cash flows. The key assumptions for determining expected cash flows include default rates, loss severities, and/or prepayment rates. Based on our assessment of the expected credit losses and the credit enhancement level of the securities, we expect to recover the entire amortized cost of these securities. Therefore, the Company has concluded that the unrealized losses for these securities do not require an ACL at March 31, 2026.

Other Securities

At March 31, 2026, the unrealized losses associated with 7 securities were primarily driven by interest rates and not the credit quality of the securities. These investments were underwritten in accordance with our own investment standards

prior to the decision to purchase, without relying on a bond insurer's guarantee in making the investment decision. Based on our assessment of the expected credit losses, we expect to recover the entire amortized cost basis of the securities. Therefore, the Company has concluded that the unrealized losses for these securities do not require an ACL at March 31, 2026.

Restricted stock, at cost

The Company's investment in Federal Home Loan Bank ("FHLB") stock totaled $30.5 million and $26.8 million at March 31, 2026, and December 31, 2025, respectively. The Company's investment in Federal Reserve Bank stock totaled $14.8 million and $14.8 million at March 31, 2026, and December 31, 2025, respectively. FHLB and Federal Reserve stock are generally viewed as long-term investments and as restricted investment securities, which are carried at cost, because there is no market for the stocks other than member institutions. Therefore, when evaluating FHLB and Federal Reserve stock for impairment, their values are based on the ultimate recoverability of the par value rather than by recognizing temporary declines in value. The Company does not consider these investments to be impaired at March 31, 2026, and no impairment has been recognized. FHLB stock and Federal Reserve stock are included in a separate line item, restricted stock, at cost on the Consolidated Balance Sheets and are not part of the Company's AFS securities portfolio.

The Company's restricted stock line item on the Consolidated Balance Sheets also includes an investment in Community Bankers' Bank, totaling $111 thousand at March 31, 2026, and $111 thousand at December 31, 2025, which is carried at cost and is not impaired at March 31, 2026. The Company also has other restricted stock investments including WV Bankers Title and Atlantic Community Bankers Bank which are included in restricted stock on the Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025.

Note 3— Loans

The Company's loan portfolio segments, as reported in the tables below, include (i) commercial real estate, (ii) owner-occupied commercial real estate, (iii) acquisition, construction & development, (iv) commercial & industrial, (v) single family residential (1-4 units), and (vi) consumer non-real estate and other. The risks associated with lending activities differ among the various loan segments and are subject to the impact of changes in interest rates, market conditions of collateral securing the loans, and general economic conditions.

- Commercial real estate loans carry risk associated with either the net operating income generated from the lease of the real estate collateral or income generated from the sale of the collateral. Other risk factors include the credit-worthiness of the sponsor and the value of the collateral.
- Owner-occupied commercial real estate loans carry risk associated with the operations of the business that occupies the property and the value of the collateral.
- Acquisition, construction & development loans carry risk associated with the credit-worthiness of the borrower, project completion within budget including the potential impact of volatile construction costs, sale after completion, and the value of the collateral.
- Commercial & industrial loans carry the risk associated with the operations of the business and the value of the collateral, if any.
- Single family residential (1-4 units) loans for consumer purposes carry risk associated with the continued credit-worthiness of the borrower and the value of the collateral. Single family residential (1-4 units) loans for investment purpose carry risk associated with the continued credit-worthiness of the borrower, the value of the collateral, and either the net operating income generated from the lease of the real estate collateral or income generated from the sale of the collateral.
- Consumer non-real estate and other loans, which includes overdrafts, carry risk associated with the credit-worthiness of the borrower and the value of the collateral, if any.

Note 3— Loans (continued)

Loan balances as of March 31, 2026, and December 31, 2025, by portfolio segment were as follows (in thousands):

	March 31, 2026	December 31, 2025
Commercial real estate	$ 2,806,846	$ 2,769,287
Owner-occupied commercial real estate	579,365	593,120
Acquisition, construction & development	352,686	386,870
Commercial & industrial	504,229	461,921
Single family residential (1-4 units)	1,128,740	1,127,684
Consumer non-real estate and other	32,801	48,794
Loans, gross	5,404,667	5,387,676
Allowance for credit losses	(67,955)	(67,823)
Loans, net	$ 5,336,712	$ 5,319,853

Net deferred loan fees included in the above loan categories totaled $6.1 million and $6.2 million at March 31, 2026, and December 31, 2025, respectively.

Note 4— Allowance for Credit Losses

The Company's ACL is calculated quarterly, with any adjustment recorded to the provision for credit losses in the Consolidated Statement of Income. Management calculates the quantitative portion of collectively evaluated loans for all loan categories using the weighted average remaining maturity ("WARM") method. For purposes of estimating the Company's ACL, management generally evaluates collectively evaluated loans by federal call code in order to group loans with similar risk characteristics.

Loans that do not share similar risk characteristics are evaluated on an individual loan basis and are excluded from the collective evaluation for the ACL. Loans identified to be individually evaluated under CECL include loans on non-accrual status and may include accruing loans that do not share similar risk characteristics to other accruing loans that are collectively evaluated on a loan pool basis. A specific reserve analysis may be applied to the individually evaluated loans, which considers collateral value, an observable market price, or the present value of the expected future cash flows. A specific reserve is assigned if the measured value of the loan using one of the before mentioned methods is less than the carrying value of the loan.

Based on management's analysis, adjustments may be applied for additional factors impacting the risk of loss in the loan portfolio beyond the information that is used to calculate a reasonable and supportable forecast and a reversion period forecast on collectively evaluated loans. Management may consider an additional or reduced reserve as warranted through qualitative risk factors based on the current and expected conditions as measured in supplemental information relative to the macroeconomic variable loss drivers used to calculate a reasonable and supportable forecast and a reversion period forecast. These qualitative risk factors considered by management are largely comparable to legacy factors prior to the adoption of CECL.

Note 4— Allowance for Credit Losses (continued)

The following tables present the activity in the ACL for the three months ended March 31, 2026, and for the three months ended March 31, 2025, (in thousands).

	Commercial real estate	Owner-occupied commercial real estate	Acquisition, construction & development	Commercial & industrial	Single family residential (1-4 units)	Consumer non-real estate and other	Total
Three months ended							
March 31, 2026							
Balance, beginning of period	$ 26,190	$ 2,760	$ 17,221	$ 8,227	$ 12,536	$ 889	$ 67,823
Provision for (recapture of) credit losses	805	455	(448)	(47)	(651)	99	213
Charge-offs	—	(65)	—	—	(65)	(360)	(490)
Recoveries	6	—	—	11	108	284	409
Balance, end of period	$ 27,001	$ 3,150	$ 16,773	$ 8,191	$ 11,928	$ 912	$ 67,955
March 31, 2025							
Balance, beginning of period	$ 30,444	$ 3,261	$ 17,386	$ 6,633	$ 9,763	$ 553	$ 68,040
Provision for (recapture of) credit losses	4,296	699	(5,912)	1,728	(308)	397	900
Charge-offs	—	(687)	—	(93)	(33)	(611)	(1,424)
Recoveries	6	—	—	4	132	95	237
Balance, end of period	$ 34,746	$ 3,273	$ 11,474	$ 8,272	$ 9,554	$ 434	$ 67,753

The recorded investment in loans excludes accrued interest receivable due to immateriality. The following table presents the aging of the recorded investment in past due loans as of March 31, 2026, and December 31, 2025, by portfolio segment (in thousands):

	March 31, 2026							
	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or More Past Due	Total Past Due	Current Loans	Total Loans	90 Days Past Due or More & Still Accruing	Non-accrual loans
Commercial real estate	$ 16,220	$ 34,578	$ 39,742	$ 90,540	$ 2,716,306	$ 2,806,846	$ 369	$ 41,896
Owner-occupied commercial real estate	6,048	1,278	6,159	13,485	565,880	579,365	183	6,842
Acquisition, construction & development	329	4,539	12,701	17,569	335,117	352,686	224	12,541
Commercial & industrial	2,621	347	7,013	9,981	494,248	504,229	1,715	5,617
Single family residential (1-4 units)	19,874	4,775	2,568	27,217	1,101,523	1,128,740	1,699	7,021
Consumer non-real estate and other	1,314	49	422	1,785	31,016	32,801	10	442
Total	$ 46,406	$ 45,566	$ 68,605	$ 160,577	$ 5,244,090	$ 5,404,667	$ 4,200	$ 74,359

	December 31, 2025							
	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or More Past Due	Total Past Due	Current Loans	Total Loans	90 Days Past Due or More & Still Accruing	Non-accrual loans
Commercial real estate	$ 4,535	$ 1,676	$ 37,891	$ 44,102	$ 2,725,185	$ 2,769,287	$ 677	$ 37,318
Owner-occupied commercial real estate	1,251	1,091	6,310	8,652	584,468	593,120	177	7,800
Acquisition, construction & development	578	699	13,243	14,520	372,350	386,870	559	12,793
Commercial & industrial	2,008	2,354	5,629	9,991	451,930	461,921	512	5,512
Single family residential (1-4 units)	14,823	7,541	3,594	25,958	1,101,726	1,127,684	1,694	6,802
Consumer non-real estate and other	395	151	346	892	47,902	48,794	4	388
Total	$ 23,590	$ 13,512	$ 67,013	$ 104,115	$ 5,283,561	$ 5,387,676	$ 3,623	$ 70,613

Credit Quality Indicators

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, current economic information, and other factors. The Company analyzes loans individually by classifying the loans by credit risk. The Company internally grades all commercial loans at the time of origination. In addition, the Company performs an annual review on at least 50% of the Bank's commercial credit exposure. The Company uses the following definitions for credit risk classifications:

Note 4— Allowance for Credit Losses (continued)

Pass: These include satisfactory loans that have acceptable levels of risk.

Special Mention: Loans classified as special mention have a potential credit weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard: Loans classified as substandard have a well-defined weakness or weaknesses that jeopardize the orderly liquidation of debt. Loans classified as substandard are inadequately protected by sound net worth, payment capacity of the borrower, or of the collateral pledged. If weaknesses go uncorrected, there is potential for partial loss of principal and/or interest.

Doubtful: Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and unlikely.

Loss: Loans classified as a loss are considered to be uncollectible and cannot be justified to continue as viable assets. While there may be the possibility of some recovery in the future, it is not practical or desirable to defer writing off these loans at the present time.

The Company has a portfolio of smaller homogenous loans that are not individually risk rated that are included within the single family residential and consumer non-real estate and other loan classes. Generally, these loan classes are rated as "Pass" unless these loans are on non-accrual and are then classified as substandard.

The following table presents the amortized cost basis of the loan portfolio, by year of origination, loan class, and credit quality, as of March 31, 2026, and December 31, 2025 (in thousands):

	March 31, 2026							
	Term Loans							
	2026	2025	2024	2023	2022	Prior	Revolving Loans	Total
Commercial real estate								
Pass	$ 83,730	$ 312,039	$ 244,074	$ 421,242	$ 431,944	$ 944,158	$ 127,371	$ 2,564,558
Special Mention	—	—	5,372	5,229	5,080	32,637	2,468	50,786
Substandard	—	—	—	15,671	50,226	98,651	15,406	179,954
Doubtful	—	—	—	—	4,508	6,576	464	11,548
Loss	—	—	—	—	—	—	—	—
Total	$ 83,730	$ 312,039	$ 249,446	$ 442,142	$ 491,758	$ 1,082,022	$ 145,709	$ 2,806,846
Year to date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Owner-occupied commercial real estate								
Pass	$ 12,934	$ 72,792	$ 55,977	$ 58,648	$ 71,214	$ 247,735	$ 36,589	$ 555,889
Special Mention	—	—	—	—	—	3,381	—	3,381
Substandard	—	456	—	786	7,313	6,206	66	14,827
Doubtful	—	—	—	—	3,392	1,876	—	5,268
Loss	—	—	—	—	—	—	—	—
Total	$ 12,934	$ 73,248	$ 55,977	$ 59,434	$ 81,919	$ 259,198	$ 36,655	$ 579,365
Year to date gross charge-offs	$ —	$ —	$ —	$ —	$ 65	$ —	$ —	$ 65
Acquisition, construction & development								
Pass	$ 10,999	$ 56,108	$ 25,235	$ 93,877	$ 42,271	$ 42,818	$ 60,989	$ 332,297
Special Mention	—	—	—	3,645	—	135	—	3,780
Substandard	—	—	—	3,116	924	9,005	—	13,045
Doubtful	—	—	—	—	3,500	—	64	3,564
Loss	—	—	—	—	—	—	—	—
Total	$ 10,999	$ 56,108	$ 25,235	$ 100,638	$ 46,695	$ 51,958	$ 61,053	$ 352,686
Year to date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Table of Contents

Note 4— Allowance for Credit Losses (continued)

	2025	2024	2023	2022	2021	Prior	Revolving Loans	Total
Commercial & industrial								
Pass	$ 5,448	$ 61,638	$ 62,642	$ 24,157	$ 24,605	$ 37,282	$ 265,870	$ 481,642
Special Mention	—	1,669	190	49	11,463	1,151	418	14,940
Substandard	—	693	63	1,112	2,082	1,228	2,426	7,604
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	37	6	43
Total	$ 5,448	$ 64,000	$ 62,895	$ 25,318	$ 38,150	$ 39,698	$ 268,720	$ 504,229
Year to date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Single family residential (1-4 units)								
Pass	$ 27,595	$ 67,042	$ 75,112	$ 123,263	$ 177,765	$ 479,170	$ 168,971	$ 1,118,918
Special Mention	—	—	278	133	779	890	589	2,669
Substandard	—	114	—	2,166	572	3,359	810	7,021
Doubtful	—	—	—	—	—	82	—	82
Loss	—	—	—	—	—	50	—	50
Total	$ 27,595	$ 67,156	$ 75,390	$ 125,562	$ 179,116	$ 483,551	$ 170,370	$ 1,128,740
Year to date gross charge-offs	$ —	$ —	$ —	$ 41	$ —	$ 24	$ —	$ 65
Consumer non-real estate and other								
Pass	$ 2,738	$ 7,776	$ 9,271	$ 4,489	$ 2,328	$ 1,930	$ 4,079	$ 32,611
Special Mention	—	—	—	85	—	28	—	113
Substandard	—	—	60	16	—	—	—	76
Doubtful	—	—	—	—	—	—	—	—
Loss	1	—	—	—	—	—	—	1
Total	$ 2,739	$ 7,776	$ 9,331	$ 4,590	$ 2,328	$ 1,958	$ 4,079	$ 32,801
Year to date gross charge-offs	$ 292	$ 4	$ 44	$ 5	$ 15	$ —	$ —	$ 360
Totals	$ 143,445	$ 580,327	$ 478,274	$ 757,684	$ 839,966	$ 1,918,385	$ 686,586	$ 5,404,667

	December 31, 2025							
	Term Loans							
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Total
Commercial real estate								
Pass	$ 324,565	$ 245,763	$ 377,142	$ 437,116	$ 383,808	$ 620,673	$ 128,260	$ 2,517,327
Special Mention	—	5,395	5,224	13,941	—	34,172	2,468	61,200
Substandard	—	—	15,675	50,300	50,745	53,091	16,058	185,869
Doubtful	—	—	—	3,156	—	1,735	—	4,891
Loss	—	—	—	—	—	—	—	—
Total	$ 324,565	$ 251,158	$ 398,041	$ 504,513	$ 434,553	$ 709,671	$ 146,786	$ 2,769,287
Year to date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 116	$ —	$ 116
Owner-occupied commercial real estate								
Pass	$ 72,903	$ 57,923	$ 61,402	$ 75,692	$ 91,329	$ 175,545	$ 32,434	$ 567,228
Special Mention	—	—	274	6,182	232	3,421	—	10,109
Substandard	459	—	521	2,002	1,113	6,391	73	10,559
Doubtful	—	—	—	3,404	1,820	—	—	5,224
Loss	—	—	—	—	—	—	—	—
Total	$ 73,362	$ 57,923	$ 62,197	$ 87,280	$ 94,494	$ 185,357	$ 32,507	$ 593,120
Year to date gross charge-offs	$ —	$ —	$ —	$ 363	$ 10	$ 632	$ 95	$ 1,100
Acquisition, construction & development								
Pass	$ 51,546	$ 27,499	$ 139,222	$ 56,766	$ 32,792	$ 13,664	$ 48,012	$ 369,501

Note 4— Allowance for Credit Losses (continued)

Special Mention	—	—	3,511	—	—	137	91	3,739
Substandard	—	—	258	812	4,062	4,974	—	10,106
Doubtful	—	—	—	3,415	—	—	109	3,524
Loss	—	—	—	—	—	—	—	—
Total	$ 51,546	$ 27,499	$ 142,991	$ 60,993	$ 36,854	$ 18,775	$ 48,212	$ 386,870
Year to date gross charge-offs	$ —	$ —	$ 1	$ —	$ —	$ —	$ —	$ 1
Commercial & industrial								
Pass	$ 63,901	$ 66,758	$ 27,018	$ 25,659	$ 16,991	$ 26,677	$ 206,654	$ 433,658
Special Mention	1,814	2,086	637	13,788	—	1,238	1,009	20,572
Substandard	704	64	855	2,286	192	1,083	2,463	7,647
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	37	7	44
Total	$ 66,419	$ 68,908	$ 28,510	$ 41,733	$ 17,183	$ 29,035	$ 210,133	$ 461,921
Year to date gross charge-offs	$ —	$ —	$ 32	$ 8	$ —	$ 14	$ 184	$ 238
Single family residential (1-4 units)								
Pass	$ 66,662	$ 82,957	$ 131,349	$ 180,837	$ 125,345	$ 362,811	$ 168,043	$ 1,118,004
Special Mention	—	283	134	788	401	503	673	2,782
Substandard	115	—	1,615	589	713	3,434	336	6,802
Doubtful	—	—	—	—	—	95	—	95
Loss	—	—	—	—	—	1	—	1
Total	$ 66,777	$ 83,240	$ 133,098	$ 182,214	$ 126,459	$ 366,844	$ 169,052	$ 1,127,684
Year to date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 60	$ 172	$ 232
Consumer non-real estate and other								
Pass	$ 9,612	$ 10,961	$ 5,543	$ 2,804	$ 687	$ 1,645	$ 17,335	$ 48,587
Special Mention	—	—	92	—	33	—	—	125
Substandard	—	62	20	—	—	—	—	82
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total	$ 9,612	$ 11,023	$ 5,655	$ 2,804	$ 720	$ 1,645	$ 17,335	$ 48,794
Year to date gross charge-offs	$ 1,750	$ 195	$ 133	$ 62	$ 2	$ 1	$ 5	$ 2,148
Totals	$ 592,281	$ 499,751	$ 770,492	$ 879,537	$ 710,263	$ 1,311,327	$ 624,025	$ 5,387,676

Loans for which the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral are considered to be collateral-dependent loans. Collateral can have a significant financial effect in mitigating exposure to credit risk and, where there is sufficient collateral, an allowance for credit losses is not recognized or is minimal. For collateral-dependent loans, the allowance for credit losses is individually assessed based on the fair value of the collateral less estimated costs of sale. The Company's collateral-dependent loans are secured by real estate, inventory and equipment. Collateral values are generally based on appraisals, which are adjusted for changes in market indices. As of March 31, 2026 and December 31, 2025, the Company had $72.4 million and $68.7 million of collateral-dependent impaired loans, respectively.

The collateral-dependent loans at March 31, 2026 consisted of $43.0 million of commercial real estate loans, $8.1 million of owner-occupied commercial real estate loans, $13.1 million of acquisition, construction & development loans, $4.2 million of commercial & industrial loans, and $4.1 million of single family residential loans. The collateral-dependent loans at December 31, 2025 consisted of $38.2 million of commercial real estate loans, $9.0 million of owner-occupied commercial real estate loans, $13.3 million of acquisition, construction & development loans, $4.4 million of commercial & industrial loans, and $3.8 million of single family residential loans. For the three months ended March 31, 2026 and the year ended December 31, 2025, there were no significant deterioration or changes in the collateral securing these loans.

Note 4— Allowance for Credit Losses (continued)

The following tables present information about collateral-dependent loans that were individually evaluated for purposes of determining the ACL as of March 31, 2026, and December 31, 2025 (in thousands):

	March 31, 2026				
	With Allowance		With No Related Allowance	Total	
	Amortized Cost	Related Allowance	Amortized Cost	Amortized Cost	Related Allowance
March 31, 2026					
Commercial real estate	$ 21,546	$ 5,726	$ 21,481	$ 43,027	$ 5,726
Owner-occupied commercial real estate	456	128	7,600	8,056	128
Acquisition, construction & development	8,535	2,731	4,564	13,099	2,731
Commercial & industrial	4,187	3,993	—	4,187	3,993
Single family residential (1-4 units)	637	4	3,419	4,056	4
Consumer non-real estate and other	—	—	—	—	—
Total	$ 35,361	$ 12,582	$ 37,064	$ 72,425	$ 12,582

	December 31, 2025				
	With Allowance		With No Related Allowance	Total	
	Amortized Cost	Related Allowance	Amortized Cost	Amortized Cost	Related Allowance
December 31, 2025					
Commercial real estate	$ 14,316	$ 3,939	$ 23,857	$ 38,173	$ 3,939
Owner-occupied commercial real estate	—	—	8,987	8,987	—
Acquisition, construction & development	4,071	1,431	9,276	13,347	1,431
Commercial & industrial	4,440	4,227	—	4,440	4,227
Single family residential (1-4 units)	258	35	3,516	3,774	35
Consumer non-real estate and other	—	—	—	—	—
Total	$ 23,085	$ 9,632	$ 45,636	$ 68,721	$ 9,632

Purchased Credit Deteriorated Loans

The Company has purchased loans relating to our 2024 merger with Summit Financial Group, Inc. (the “Summit Merger”) for which there was, at acquisition, evidence of more than insignificant deterioration of credit quality since origination. The carrying amount of those loans, at acquisition, is as follows (in thousands):

	Amounts
Purchase price of loans at acquisition	$ 380,795
Allowance for credit losses at acquisition	23,910
Non-credit discount/(premium) at acquisition	37,640
Par value of acquired loans at acquisition	$ 442,345

Loan Modifications

On January 1, 2023, the Company adopted ASU 2022-02 on a modified retrospective basis. ASU 2022-02 eliminates the troubled debt restructuring (“TDR”) accounting model and requires that the Company evaluate, based on the accounting for loan modifications, whether the borrower is experiencing financial difficulty, and the modification results in a more-than-insignificant direct change in the contractual cash flows and represents a new loan or a continuation of an existing loan. This change required all loan modifications to be accounted for under the general loan modification guidance in ASC 310-20, *Receivables — Nonrefundable Fees and Other Costs*, and subjects entities to new disclosure requirements on loan modifications to borrowers experiencing financial difficulty.

The Company may modify loans to borrowers experiencing financial difficulty by providing principal forgiveness, term extension, interest rate reduction, or an other-than-insignificant payment delay. When principal forgiveness is provided, the

Note 4— Allowance for Credit Losses (continued)

amount of forgiveness is charged off against the ACL. The Company may also provide multiple types of modifications on an individual loan. For the three months ended March 31, 2026, and for the year ended, December 31, 2025, the Company did not extend any modifications to borrowers experiencing financial difficulty that had a more-than-insignificant direct change in the contractual cash flows of the loan.

Other Real Estate Owned

Real estate owned activity was as follows for the three months ended March 31, 2026, and for the year ended, December 31, 2025 (in thousands):

	March 31, 2026	December 31, 2025
Beginning balance	$ 2,689	$ 2,783
Loans acquired/transferred to real estate owned	417	259
Capital expenditures	—	—
Direct write-downs	—	(195)
Sales of real estate owned	—	(158)
End of period balance	$ 3,106	$ 2,689

Note 5— Deposits

The aggregate amount of time deposits that meet or exceed the FDIC Insurance Limit of $250,000, was approximately $302.2 million and $295.4 million on March 31, 2026, and December 31, 2025, respectively. Brokered time deposits, which are fully insured, totaled $3.4 million and $64.4 million as of March 31, 2026, and December 31, 2025, respectively. Time deposits through the Certificate of Deposit Account Registry Service ("CDARS") program totaled $22.4 million at March 31, 2026, compared to $22.4 million at December 31, 2025.

The remaining maturities of time deposits as of March 31, 2026 are as follows (in thousands):

As of March 31, 2026	
Remaining nine months ending, December 31, 2026	$ 899,459
2027	90,923
2028	11,607
2029	6,443
2030	5,378
Thereafter	6,608
Total	$ 1,020,418

At March 31, 2026, and December 31, 2025, amounts included in time deposits for individual retirement accounts totaled $110.7 million and $111.2 million, respectively.

Overdrafts of $524.4 thousand and $704.0 thousand were reclassified to loans as of March 31, 2026, and December 31, 2025, respectively.

Note 6— Borrowed Funds

Short-term borrowings

The Company had borrowings of $525.0 million and $450.0 million at March 31, 2026, and December 31, 2025, respectively. At March 31, 2026, the interest rate on this debt was 3.82%. At December 31, 2025, the interest rate on this debt was 3.75%. The average balance outstanding during the three months ending March 31, 2026, and the year ending December 31, 2025, was $492.4 million and $422.1 million, respectively. The Company has a finance lease liability that is not included in these balances - see Note 7 - Leased Property for a discussion of this liability that is included in the accrued interest and other liabilities line in the Consolidated Balance Sheets.

The Company has available secured lines of credit with the Federal Reserve Bank of Richmond, such as the Borrower-In-Custody program, the FHLB of Atlanta, and unsecured federal funds lines of credit from correspondent banking

relationships. Through these sources, the Company has unused capacity of $4.7 billion in remaining borrowing capacity as of March 31, 2026. The advances on credit lines are secured by both securities and loans. The lendable collateral value of securities and loans pledged against available lines of credit as of March 31, 2026, and December 31, 2025, was $3.4 billion and $3.2 billion, respectively. As of March 31, 2026, all of the Company's borrowings will mature within one calendar year.

The contractual maturities of these borrowings, which all occur within one year of the reporting date, are as follows as of March 31, 2026, (in thousands):

Due in 2026	$	525,000
Total	$	525,000

Long-term borrowings

Subordinated Debentures

As part of the Summit Merger, Burke & Herbert assumed $75.0 million of subordinated debentures, that were fair valued at $61.5 million with a $13.5 million discount being amortized into interest expense over the stated maturity. As of March 31, 2026, the net balance was $71.5 million. The subordinated debt qualifies as Tier 2 capital under Federal Reserve Board guidelines, until the debt is within 5 years of its maturity; thereafter, the amount qualifying as Tier 2 capital is reduced 20% each year until maturity. The subordinated debentures were issued in the fourth quarter of 2021. This subordinated debt bears interest at a fixed rate of 3.25% per year, from acquisition date to, but excluding, December 1, 2026, payable semi-annually in arrears. From and including, December 1, 2026 to, but excluding, the maturity date or earlier redemption date, the interest rate will reset quarterly at a variable rate equal to the then current three-month term Secured Overnight Financing Rate ("SOFR"), as published by the Federal Reserve Bank of New York, plus 230 basis points, payable quarterly in arrears. This debt has a 10-year term, and generally, is not prepayable by us within the first 5 years from issuance, which was fourth quarter 2021.

Subordinated Debentures Owed to Unconsolidated Subsidiary Trusts

As part of the Summit Merger, Burke & Herbert became the sponsor for SFG Capital Trust I, SFG Capital Trust II, and SFG Capital Trust III. For each of these trusts, 100% of the common equity is owned by us. SFG Capital Trust I issued $3.5 million in capital securities and $109 thousand in common securities and invested the proceeds in $3.6 million of debentures, which were assumed by Burke & Herbert in the Summit Merger. SFG Capital Trust II issued $7.5 million in capital securities and $232 thousand in common securities and invested the proceeds in $7.7 million of debentures, which were assumed by Burke & Herbert in the Summit Merger. SFG Capital Trust III issued $8.0 million in capital securities and $248 thousand in common securities and invested the proceeds in $8.3 million of debentures, which were assumed by Burke & Herbert in the Summit Merger. Distributions on the capital securities issued by the trusts are payable quarterly at a variable rate equal to three-month term SOFR, plus 345 basis points for SFG Capital Trust I, three-month term SOFR, plus 280 basis points for SFG Capital Trust II, and three-month term SOFR, plus 145 basis points for SFG Capital Trust III, and equals the interest rate earned on the debentures held by the trusts and is recorded as interest expense by us. The capital securities are subject to mandatory redemption in whole, or in part, upon repayment of the debentures. We have entered into agreements which, taken collectively, fully and unconditionally guarantee the capital securities subject to the terms of the guarantee. The debentures of each Capital Trust are redeemable by us quarterly.

The capital securities issued by SFG Capital Trust I, SFG Capital Trust II, and SFG Capital Trust III qualify as Tier 1 capital under the Federal Reserve guidelines. In accordance with these Guidelines, trust preferred securities are limited to

Note 6— Borrowed Funds (continued)

25% of Tier 1 capital elements, net of goodwill. The amount of trust preferred securities and certain other elements in excess of the limit can be included in Tier 2 capital.

The remaining maturities of subordinated debentures as of March 31, 2026, are as follows (in thousands):

	Subordinated debentures	Subordinated debentures owed to unconsolidated subsidiary trusts
Remaining nine months ending, December 31, 2026	$ —	$ —
2027	—	—
2028	—	—
2029	—	—
2030	—	—
Thereafter	75,000	19,589
Total	$ 75,000	$ 19,589

Note 7— Leased Property

Lessor Arrangements

The Company enters into operating leases with customers to lease vacant space in certain owned premises that is not being used by the Company. These operating leases are typically payable in monthly installments with terms ranging from around one year to around nine years and may contain renewal options. The components of lease income, which were included in non-interest expense on the Consolidated Statements of Income, were as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Operating lease income	$ 695	$ 693
Total lease income	$ 695	$ 693

The remaining maturities of operating lease receivables as of March 31, 2026, are as follows (in thousands):

	Operating Leases
Remaining nine months ending, December 31, 2026	$ 1,949
2027	2,400
2028	2,330
2029	2,130
2030	1,585
Thereafter	1,370
Total lease receivables	$ 11,764

Lessee Arrangements

The Company has entered into leases for branches and office space. The leases are evaluated for whether the lease will be classified as either a finance or operating lease. Certain leases offer the option to extend the lease term, and the Company has included such extensions in its calculation of the lease liabilities to the extent the options are reasonably assured of being exercised. Including renewal options, the terms of the Company's leases range from less than one year to around twelve years. The lease agreements do not provide for residual value guarantees and have no restrictions or covenants that would impact dividends or require incurring additional financial obligations.

Lease liabilities represent the Company's obligation to make lease payments and are presented at each reporting date as the net present value of the remaining contractual cash flows. These cash flows are discounted at the Company's incremental borrowing rate in effect at the commencement date of the lease. The right-of-use asset and lease liability are included in other assets and other liabilities, respectively, in the Consolidated Balance Sheets.

Note 7— Leased Property (continued)

Right-of-use assets and liabilities by lease type, and the associated balance sheet classifications are as follows (in thousands):

	Balance Sheet Classification	March 31, 2026	December 31, 2025
Right-of-use assets:			
Operating leases	Other assets	$ 13,416	$ 14,096
Finance leases	Other assets	4,299	3,795
Total right-of-use assets		$ 17,715	$ 17,891
Lease liabilities:			
Operating leases	Other liabilities	$ 14,047	$ 14,717
Finance leases	Other liabilities	4,680	4,158
Total lease liabilities		$ 18,727	$ 18,875

The components of total lease cost were as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Finance lease cost		
Right-of-use asset amortization	$ 96	$ 71
Interest expense	35	27
Operating lease cost	843	834
Total lease cost	$ 974	$ 932

The Company's future undiscounted lease payments for finance and operating leases with initial terms of one year or more as of March 31, 2026, are as follows (in thousands):

	Operating Leases	Finance Leases
Remaining nine months ending, December 31, 2026	$ 2,507	$ 371
2027	3,015	504
2028	2,451	515
2029	2,240	526
2030	1,680	538
Thereafter	4,861	3,157
Total undiscounted lease payments	16,754	5,611
Less: discount	(2,707)	(931)
Net lease liabilities	$ 14,047	$ 4,680

Note 7— Leased Property (continued)

The following table presents additional information about the Company’s leases as of March 31, 2026, and December 31, 2025.

Supplemental lease information (dollars in thousands)	**March 31, 2026**	**December 31, 2025**
Finance lease weighted average remaining lease term (years)	10.28	10.61
Finance lease weighted average discount rate	3.44 %	3.32 %
Operating lease weighted average remaining lease term (years)	6.53	6.66
Operating lease weighted average discount rate	4.65 %	4.64 %

	Three Months Ended March 31,	
Cash paid for amounts included in the measurement of lease liabilities	**2026**	**2025**
Operating cash flows from operating leases	$ 835	$ 778
Operating cash flows from finance leases	35	27
Financing cash flows from finance leases	78	56
Right-of-use assets obtained in exchange for new finance lease liabilities	600	—
Right-of-use assets obtained in exchange for new operating lease liabilities	—	—

Note 8— Regulatory Capital Matters

Banks and financial holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, “prompt corrective action” regulations involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. Under the Basel III Framework, an entity must hold a capital conservation buffer above the adequately capitalized risk-based capital ratios. The net unrealized gain or loss on AFS securities is not included in computing regulatory capital. Management believes as of March 31, 2026, the Company and the Bank meet all capital adequacy requirements to which they are subject.

“Prompt corrective action” regulations provide five classifications: “well capitalized”, “adequately capitalized”, “undercapitalized”, “significantly undercapitalized”, and “critically undercapitalized”, although these terms are not used to represent overall financial condition. If “adequately capitalized”, regulatory approval is required to accept brokered deposits. If “undercapitalized”, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. As of March 31, 2026, and December 31, 2025, the most recent notification from the FDIC categorized the Bank as “well capitalized” under the regulatory framework for “prompt corrective action.”

Note 8— Regulatory Capital Matters (continued)

The following table presents the actual and required capital amounts and ratios for the Company and the Bank at March 31, 2026, and December 31, 2025 (in thousands except for ratios):

	Actual		Minimum Required Capital - Basel III		Minimum Required to be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of March 31, 2026						
Total Capital to risk weighted assets						
Consolidated	$ 1,026,838	16.52 %	$ 652,804	≥ 10.5%	$ 621,718	N/A
Burke & Herbert Bank & Trust	1,010,788	16.29	651,547	≥ 10.5	620,521	≥ 10.0%
Tier 1 (Core) Capital to risk weighted assets						
Consolidated	884,378	14.22	528,460	≥ 8.5	497,374	N/A
Burke & Herbert Bank & Trust	939,838	15.15	527,443	≥ 8.5	496,417	≥ 8.0
Common Tier 1 (CET 1) to risk-weighted assets						
Consolidated	856,634	13.78	435,203	≥ 7.0	404,117	N/A
Burke & Herbert Bank & Trust	939,838	15.15	434,365	≥ 7.0	403,339	≥ 6.5
Tier 1 (Core) Capital to average assets (leverage ratio)						
Consolidated	884,378	11.27	313,866	≥ 4.0	392,332	N/A
Burke & Herbert Bank & Trust	939,838	11.97	314,043	≥ 4.0	392,554	≥ 5.0
As of December 31, 2025						
Total Capital to risk weighted assets						
Consolidated	$ 1,004,898	16.17 %	$ 652,648	≥ 10.5%	$ 621,570	N/A
Burke & Herbert Bank & Trust	986,269	15.92	650,649	≥ 10.5	619,665	≥ 10.0%
Tier 1 (Core) Capital to risk weighted assets						
Consolidated	863,657	13.89	528,334	≥ 8.5	497,256	N/A
Burke & Herbert Bank & Trust	915,250	14.77	526,716	≥ 8.5	495,732	≥ 8.0
Common Tier 1 (CET 1) to risk-weighted assets						
Consolidated	835,976	13.45	435,099	≥ 7.0	404,020	N/A
Burke & Herbert Bank & Trust	915,250	14.77	433,766	≥ 7.0	402,782	≥ 6.5
Tier 1 (Core) Capital to average assets (leverage ratio)						
Consolidated	863,657	10.92	316,492	≥ 4.0	395,615	N/A
Burke & Herbert Bank & Trust	915,250	11.59	315,898	≥ 4.0	394,873	≥ 5.0

The Company's principal source of funds for dividend payments is dividends received from the Bank. Banking regulations limit the amount of dividends that may be paid without prior approval of regulatory agencies. As of March 31, 2026, approximately $359.2 million of retained earnings was available for dividend declaration consistent with the Company's capital plan.

Note 9— Derivatives

The Company utilizes interest rate swap agreements as part of its asset liability management strategy to help manage its interest rate risk position. The notional amount of the interest rate swaps does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap agreements.

Cash flow hedges of interest rate risk

The Company's objective in using interest rate derivatives is to add stability to net interest income and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps, caps, and floors as part of its interest rate risk management strategy. Interest rate swaps, designated as cash flow hedges, involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. As of March 31, 2026, such derivatives were

Note 9— Derivatives (continued)

used to hedge the variable cash flows associated with variable-rate liabilities. As of March 31, 2025, such derivatives were used to hedge the variable cash flows associated with variable-rate debt and variable-rate securities.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in AOCI and subsequently reclassified into interest expense or interest income in the same period(s) during which the hedged transaction affects earnings. During the next twelve months, the Company estimates that an additional $1.4 million will be reclassified as a reduction in interest expense.

Derivatives not designated as hedges

The Company enters into interest rate swaps with its loan customers to facilitate their financing requests. Upon entering into swaps with our loan customers, the Company will enter into corresponding offsetting derivatives with third parties. These derivatives represent economic hedges and do not qualify as hedges for accounting. These back-to-back interest rate swaps are reported at fair value in other assets and accrued interest and other liabilities in the Company's Consolidated Balance Sheets. Changes in the fair value of interest rate swaps are recorded in other non-interest expense and sum to zero because of offsetting terms of swaps with borrowers and swaps with dealer counterparties.

The table below presents the fair value of the Company's derivative financial instruments, which includes accrued interest, as well as their classification on the Consolidated Balance Sheets as of March 31, 2026, and December 31, 2025 (in thousands):

	March 31, 2026		
	Balance Sheet Location	Notional Amount	Fair Value
Derivatives designated as hedges:			
Interest rate swaps related to cash flow hedges	Other assets	$ 425,000	$ 1,589
Interest rate swaps related to cash flow hedges	Other liabilities	200,000	5
Derivatives not designated as hedges:			
Interest rate swaps related to customer loans	Other assets	$ 228,711	$ 1,447
Interest rate swaps related to customer loans	Other liabilities	228,711	1,447

	December 31, 2025		
	Balance Sheet Location	Notional Amount	Fair Value
Derivatives designated as hedges:			
Interest rate swaps related to cash flow hedges	Other assets	$ 150,000	$ 273
Interest rate swaps related to cash flow hedges	Other liabilities	400,000	340
Derivatives not designated as hedges:			
Interest rate swaps related to customer loans	Other assets	$ 203,904	$ 2,331
Interest rate swaps related to customer loans	Other liabilities	203,904	2,331

Table of Contents

Note 9— Derivatives (continued)

The table below presents the effect of cash flow hedge accounting on AOCI for the three months ended March 31, 2026, and March 31, 2025 (in thousands):

	March 31, 2026				March 31, 2026		
Derivatives in Cash Flow Hedging Relationships	**Amount of Gain or (Loss) Recognized in OCI on Derivative**	**Amount of Gain or (Loss) Recognized in OCI Included Component**	**Amount of Gain or (Loss) Recognized in OCI Excluded Component**	**Location of Gain or (Loss) Reclassified from AOCI into Income**	**Amount of Gain or (Loss) Reclassified from AOCI into Income**	**Amount of Gain or (Loss) Reclassified from AOCI into Income Included Component**	**Amount of Gain or (Loss) Reclassified from AOCI into Income Excluded Component**
Interest Rate Products	$ —	$ —	$ —	Interest Income	$ —	$ —	$ —
Interest Rate Products	1,668	1,668	—	Interest Expense	36	36	—
Total	$ 1,668	$ 1,668	$ —		$ 36	$ 36	$ —

	March 31, 2025				March 31, 2025		
Derivatives in Cash Flow Hedging Relationships	**Amount of Gain or (Loss) Recognized in OCI on Derivative**	**Amount of Gain or (Loss) Recognized in OCI Included Component**	**Amount of Gain or (Loss) Recognized in OCI Excluded Component**	**Location of Gain or (Loss) Reclassified from AOCI into Income**	**Amount of Gain or (Loss) Reclassified from AOCI into Income**	**Amount of Gain or (Loss) Reclassified from AOCI into Income Included Component**	**Amount of Gain or (Loss) Reclassified from AOCI into Income Excluded Component**
Interest Rate Products	$ —	$ —	$ —	Interest Income	$ —	$ —	$ —
Interest Rate Products	480	480	—	Interest Expense	428	428	—
Total	$ 480	$ 480	$ —		$ 428	$ 428	$ —

The table below presents the effect of the Company's derivative financial instruments on the Consolidated Statements of Income for the three months ended March 31, 2026, and March 31, 2025 (in thousands).

	Location and Amount of Gain or (Loss) Recognized in Income on Fair Value and Cash Flow Hedging Relationships			
	Three months ended			
	March 31, 2026		**March 31, 2025**	
	Interest Income	**Interest Expense**	**Interest Income**	**Interest Expense**
Total amounts of income and expense line items presented in the consolidated statements of income in which the effects of fair value or cash flow hedges are recorded	$ 40	$ 36	$ 40	$ 428
The effects of fair value and cash flow hedging:				
Gain or (loss) on fair value hedging relationships in Subtopic 815-20				
Interest contracts				
Hedged items [(1)]	40	—	40	—
Derivatives designated as hedging instruments	—	—	—	—
Gain or (loss) on cash flow hedging relationships in Subtopic 815-20				
Interest contracts				
Amount of gain or (loss) reclassified from AOCI into income	—	36	—	428
Amount of gain or (loss) reclassified from AOCI into income as a result that a forecasted transaction is no longer probable of occurring	—	—	—	—
Amount of gain or (loss) reclassified from AOCI into income - included component	—	36	—	428
Amount of gain or (loss) reclassified from AOCI into income - excluded component	—	—	—	—

(1) The Company voluntarily discontinued a fair value hedging relationship and these amounts include the gain or (loss) and the hedging adjustment on a voluntary discontinued hedging relationship. The Company has allocated the basis adjustment to the remaining individual assets in the closed portfolio and will amortize the basis adjustment over a period consistent with amortization of other discounts or premiums on the assets.

Credit-risk-related Contingent Features

As of March 31, 2026, the fair value of derivatives in a liability position, which includes accrued interest but excludes any adjustment for non-performance risk related to these agreements, was $4.6 thousand. As of December 31, 2025, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for non-performance risk related to these agreements, was $340.0 thousand. As of March 31, 2026, and as of December 31, 2025, the Company has posted the full amount of collateral related to these agreements.

Note 10— Commitments and Contingencies

Credit extension commitments

The Company's financial statements do not reflect various financial instruments which arise in the normal course of business and which involve elements of credit risk, interest rate risk, and liquidity risk. These financial instruments include commitments to extend credit (e.g., revolving lines of credit) and commercial letters of credit.

Many of our lending relationships contain both funded and unfunded elements. The funded portion is reflected on our balance sheet. The unfunded portion of these commitments is not recorded on our balance sheet until a draw is made under the loan facility. Since many of our commitments to extend credit may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flow requirements.

A summary of the contractual amounts of the Company's financial instruments outstanding at March 31, 2026, and December 31, 2025, is as follows (in thousands):

	March 31, 2026	December 31, 2025
Commitments to extend credit	$ 827,496	$ 970,255
Commercial letters of credit	23,425	23,959

Commitments to extend credit and commercial letters of credit both include exposure to some credit loss in the event of non-performance of the customer. The Company's credit policies and procedures for credit commitments and financial guarantees are the same as those for extensions of credit that are recorded on the Consolidated Balance Sheets. Many of these instruments have fixed maturity dates, and many of them will expire without being drawn upon; accordingly, they do not generally present any significant liquidity risk to the Company.

Allowance for credit losses - off-balance-sheet credit exposures

The Company recorded a recapture of credit losses on unfunded commitments of $201.0 thousand and recapture of credit losses of $398.8 thousand on unfunded commitments for the three months ended March 31, 2026 and March 31, 2025, respectively. The ACL on off-balance-sheet credit totaled $3.0 million and $3.2 million as of March 31, 2026, and December 31, 2025, and is included in accrued interest and other liabilities on the accompanying Consolidated Balance Sheets.

Litigation

The Company is a party to litigation, claims, and proceedings arising in the normal course of business that are ordinary and routine to the nature of the Company's business and operations. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from any currently pending or threatened litigation, claims, or proceedings will not be material to the Company's financial position as of March 31, 2026, and December 31, 2025, respectively.

Note 11— Fair Value Measurements

Determination of Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect our own assumptions that market participants would use in pricing an asset or liability.

In instances in which multiple levels of inputs are used to measure fair value, hierarchy classification is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The Company used the following methods and significant assumptions to estimate fair value:

Investment securities

The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2), using matrix pricing. Matrix pricing is a mathematical technique commonly used to price debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on securities' relationship to other benchmark quoted securities (Level 2 inputs). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3).

Equity Investments

Equity investments are recorded at fair value on a recurring basis, with changes in fair value reported in net income. Through the Summit Merger we acquired an investment in an S&P 500 index mutual fund that is traded on an exchange, and we classify it as Level 2 as of March 31, 2026.

Through the Summit Merger, we acquired perpetual preferred stock of a bank holding company issued in October 2022 in a private offering. The perpetual preferred stock does not trade on an exchange or in an active over-the-counter market; therefore, we estimate its fair value using the present value of its future cash flows using observed discount rates of similar publicly-traded securities, adjusted for a liquidity premium. We classify the perpetual preferred stock as Level 2.

Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment. Such equity securities are included in other assets on the accompanying Consolidated Balance Sheets.

Derivatives

The fair values of derivatives are based on valuation models using observable market data as of the measurement date (Level 2). The Company has contracted with a third-party vendor to provide valuations for interest rate swaps using standard swap valuation techniques. The Company has considered counterparty credit risk in the valuation of its interest rate swap assets and has considered its own credit risk in the valuation of its interest rate swap liabilities.

Loans held-for-sale

The fair value of loans held-for-sale is determined using quoted prices for similar assets, adjusted for specific attributes of that loan (Level 2). These loans currently consist of one-to-four family residential loans originated for sale in the secondary market.

Table of Contents

Note 11— Fair Value Measurements (continued)

Assets and liabilities measured at fair value on a recurring basis are summarized below (in thousands):

	Fair Value Measurements at March 31, 2026, Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Investment Securities				
U.S. Treasuries and government agencies	$ 149,463	$ —	$ —	$ 149,463
Obligations of states and municipalities	—	990,269	—	990,269
Residential mortgage backed - agency	—	57,375	—	57,375
Residential mortgage backed - non-agency	—	372,486	—	372,486
Commercial mortgage backed - agency	—	71,684	—	71,684
Commercial mortgage backed - non-agency	—	98,377	—	98,377
Asset-backed	—	50,300	—	50,300
Other	—	36,083	—	36,083
Total investment securities available-for-sale	$ 149,463	$ 1,676,574	$ —	$ 1,826,037
Loans held-for-sale	$ —	$ —	$ —	$ —
Equity investments	$ —	$ 13,919	$ —	$ 13,919
Derivatives	$ —	$ 3,036	$ —	$ 3,036
Financial liabilities				
Derivatives	$ —	$ 1,452	$ —	$ 1,452

	Fair Value Measurements at December 31, 2025, Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Investment Securities				
U.S. Treasuries and government agencies	$ 150,124	$ —	$ —	$ 150,124
Obligations of states and municipalities	—	922,574	—	922,574
Residential mortgage backed - agency	—	55,385	—	55,385
Residential mortgage backed - non-agency	—	218,092	—	218,092
Commercial mortgage backed - agency	—	73,896	—	73,896
Commercial mortgage backed - non-agency	—	111,109	—	111,109
Asset-backed	—	53,466	—	53,466
Other	—	31,308	—	31,308
Total investment securities available-for-sale	$ 150,124	$ 1,465,830	$ —	$ 1,615,954
Loans held-for-sale	$ —	$ 365	$ —	$ 365
Equity investments	$ —	$ 14,201	$ —	$ 14,201
Derivatives	$ —	$ 2,604	$ —	$ 2,604
Financial liabilities				
Derivatives	$ —	$ 2,671	$ —	$ 2,671

Note 11— Fair Value Measurements (continued)

The following describes the valuation techniques used by the Company to measure certain assets recorded at fair value on a non-recurring basis in the financial statements:

Collateral dependent loans

Loans for which the borrower is experiencing financial difficulty and repayment is dependent upon the operation or sale of collateral, are considered collateral-dependent. For collateral-dependent loans, the fair value is measured based on the value of the collateral securing the loans, less estimated costs of disposal. Collateral may be in the form of real estate or business assets, including equipment, inventory, and accounts receivable. The vast majority of the collateral underlying collateral-dependent loans is real estate, the fair value of which is measured through an appraisal. The appraisals of the collateral supporting collateral-dependent loans may utilize a single valuation approach or a combination of approaches, including comparable sales and the income approach. Any fair value adjustments are recorded in the period incurred as provision for (recapture of) credit losses on the Consolidated Statements of Income. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business.

Other real estate owned

Assets acquired through foreclosure or other proceedings are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. The fair value of foreclosed properties is determined on a nonrecurring basis generally utilizing current appraisals performed by an independent, licensed appraiser applying an income or market value approach using observable market data. Updated appraisals of foreclosed properties are generally obtained if the existing appraisal is more than 18 months old or more frequently if there is a known deterioration in value. However, if a current appraisal is not available, the original appraised value is discounted, as appropriate, to compensate for the estimated depreciation in the value of the real estate since the date of its original appraisal. Such discounts are generally estimated based upon management's knowledge of sales of similar property within the applicable market area and its knowledge of other real estate market-related data as well as general economic trends. Upon foreclosure, any fair value adjustment is charged against the allowance for credit losses on loans. Subsequent fair value adjustments are recorded in the period incurred and included in other noninterest expense in the Consolidated Statements of Income.

Assets that were measured at fair value on a non-recurring basis during the period are summarized below (in thousands):

	Fair Value Measurements at March 31, 2026, Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Collateral dependent loans				
Commercial real estate	$ —	$ —	$ 15,820	$ 15,820
Owner-occupied commercial real estate	—	—	328	328
Acquisition, construction & development	—	—	5,804	5,804
Commercial & industrial	—	—	194	194
Single family residential	—	—	633	633
Consumer non-real estate and other	—	—	—	—
Other real estate owned	—	—	3,106	3,106

Table of Contents

Note 11— Fair Value Measurements (continued)

	Fair Value Measurements at December 31, 2025, Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Collateral dependent loans				
Commercial real estate	$ —	$ —	$ 10,377	$ 10,377
Owner-occupied commercial real estate	—	—	—	—
Acquisition, construction & development	—	—	2,640	2,640
Commercial & industrial	—	—	213	213
Single family residential	—	—	223	223
Consumer non-real estate and other	—	—	—	—
Other real estate owned	—	—	2,689	2,689

The following table presents quantitative information about Level 3 Fair Value Measurements for assets measured at fair value on a non-recurring basis at March 31, 2026, and December 31, 2025 (in thousands except for percentages):

Description	Fair Value	Valuation Techniques	Unobservable Inputs	Range
March 31, 2026				
Collateral dependent loans	$ 22,779	Appraisal of collateral	Management adjustments (e.g., liquidity, selling costs, etc.)	5.0% to 20.0% for liquidity, 6.0% to 8.0% for selling costs
Other real estate owned	3,106	Appraisal of collateral	Management adjustments (e.g., liquidity, selling costs, etc.)	5.0% to 20.0% for liquidity, 6.0% to 8.0% for selling costs
December 31, 2025				
Collateral dependent loans	$ 13,453	Appraisal of collateral	Management adjustments (e.g., liquidity, selling costs, etc.)	5.0% to 20.0% for liquidity, 6.0% to 8.0% for selling costs
Other real estate owned	2,689	Appraisal of collateral	Management adjustments (e.g., liquidity, selling costs, etc.)	5.0% to 20.0% for liquidity, 6.0% to 8.0% for selling costs

Fair value of financial instruments

The carrying amounts and estimated fair values of financial instruments not carried at fair value, at March 31, 2026, and December 31, 2025, were as follows (in thousands):

		Fair Value Measurements at March 31, 2026, Using:			
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets					
Cash and due from banks	$ 53,940	$ 53,940	$ —	$ —	$ 53,940
Interest-earning deposits with banks	15,652	15,652	—	—	15,652
Loans, net	5,336,712	—	—	5,312,163	5,312,163
Accrued interest	37,625	—	37,625	—	37,625
Financial Liabilities					
Non-interest-bearing deposits	$ 1,367,050	$ —	$ 1,367,050	$ —	$ 1,367,050
Interest-bearing deposits	4,965,215	—	4,959,923	—	4,959,923
Short-term borrowings	525,000	—	523,406	—	523,406
Subordinated debentures, net	71,510	—	68,093	—	68,093
Subordinated debentures owed to unconsolidated subsidiary trusts	17,331	—	16,438	—	16,438
Accrued interest	6,637	—	6,637	—	6,637

Table of Contents

Note 11— Fair Value Measurements (continued)

		Fair Value Measurements at December 31, 2025, Using:			
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets					
Cash and due from banks	$ 53,497	$ 53,497	$ —	$ —	$ 53,497
Interest-bearing deposits with banks	235,630	235,630	—	—	235,630
Loans, net	5,319,853	—	—	5,284,210	5,284,210
Accrued interest	35,442	—	35,442	—	35,442
Financial Liabilities					
Non-interest-bearing deposits	$ 1,336,380	$ —	$ 1,336,380	$ —	$ 1,336,380
Interest-bearing deposits	5,067,561	—	5,062,925	—	5,062,925
Short-term borrowings	450,000	—	450,005	—	450,005
Subordinated debentures, net	70,222	—	70,800	—	70,800
Subordinated debentures owed to unconsolidated subsidiary trusts	17,268	—	16,494	—	16,494
Accrued interest	4,447	—	4,447	—	4,447

Note 12— Accumulated Other Comprehensive Income (Loss)

The following table presents changes in accumulated other comprehensive income (loss) by component, net of tax, for the three months ended March 31, 2026, and March 31, 2025 (in thousands):

	Three months ended March 31, 2026			
	Gains and Losses on Cash Flow Hedges	Unrealized Gains and Losses on Available-for-Sale Securities	Defined Benefit Pension Items	Accumulated Other Comprehensive Income (Loss)
Beginning Balance	$ (64)	$ (54,857)	$ (4,039)	$ (58,960)
Net unrealized gains (losses)	1,286	(9,882)	—	(8,596)
Less: net realized (gains) losses reclassified to earnings	(28)	(1,418)	—	(1,446)
Net change in pension plan benefits	—	—	—	—
Ending Balance	$ 1,194	$ (66,157)	$ (4,039)	$ (69,002)

	Three months ended March 31, 2025			
	Gains and Losses on Cash Flow Hedges	Unrealized Gains and Losses on Available-for-Sale Securities	Defined Benefit Pension Items	Accumulated Other Comprehensive Income (Loss)
Beginning Balance	$ 911	$ (92,055)	$ (4,576)	$ (95,720)
Net unrealized gains (losses)	370	7,688	—	8,058
Less: net realized (gains) losses reclassified to earnings	(330)	(32)	—	(362)
Net change in pension plan benefits	—	—	—	—
Ending Balance	$ 951	$ (84,399)	$ (4,576)	$ (88,024)

Note 12— Accumulated Other Comprehensive Income (Loss) (continued)

The following table presents amounts reclassified out of each component of accumulated other comprehensive income (loss) for the three months ended March 31, 2026, and March 31, 2025 (in thousands).

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified From Accumulated Other Comprehensive Income, Three months ended March 31, 2026	Amount Reclassified From Accumulated Other Comprehensive Income, Three months ended March 31, 2025	Affected Line Item in the Statements of Income
Cash flow hedges:			
Interest rate contracts	$ —	$ —	Interest income
Interest rate contracts	36	428	Interest expense
Tax effect	(8)	(98)	Income tax expense (benefit)
Net of tax	$ 28	$ 330	
Available-for-sale securities:			
Realized gains (losses) on securities	$ 1,799	$ 1	Net gains/(losses) on securities
Realized gains (losses) on basis adjustment for fair value hedges	40	40	Interest income
Tax effect	(421)	(9)	Income tax expense (benefit)
Net of tax	$ 1,418	$ 32	
Defined benefit pension plan:			
Amortization of actuarial gain / (loss)	—	—	Pension and other employee benefits
Tax effect	—	—	Income tax expense (benefit)
Net of tax	$ —	$ —	
Total reclassifications, net of tax	$ 1,446	$ 362	Net income

Note 13— Other Operating Expense

Other operating expense from the Consolidated Statements of Income for the three months ended March 31, 2026, and March 31, 2025, is as follows (in thousands):

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Historic tax credit amortization	$ 239	$ 435
IT related	396	417
Consultant fees	713	506
Directors' fees	463	443
Audit expense	582	222
Legal expense	1,298	343
Virginia franchise tax	965	960
Marketing expense	443	387
Donation expense	23	11
Other	5,303	5,390
Total	$ 10,425	$ 9,114

The Company incurred merger-related expenses of $1.4 million and zero for the three months ended March 31, 2026 and March 31, 2025, respectively. These expenses are primarily included in the consultant fees, audit expense, legal expense, and other line items detailed in other operating expenses.

Note 14— Share-Based Compensation

The Company has a share-based incentive plan described below that allows it to offer a variety of equity compensation awards subject to approval. Total compensation cost that has been charged against income for restricted stock unit awards granted was $1.1 million and $1.3 million for the three months ended March 31, 2026, and March 31, 2025, respectively. The total income tax benefit was $248.5 thousand and $264.7 thousand for the three months ended March 31, 2026, and March 31, 2025, respectively.

2019 Stock Incentive Plan

In 2019, the Company's Stock Incentive Plan ("2019 SIP") was approved by the Bank's Board of Directors (the "Bank Board"). The 2019 SIP provides for the issuance of share-based awards to directors and employees of the Company. The 2019 SIP authorized 240,000 units to be issued, and the Company's practice is using authorized unissued shares to satisfy these share-based awards. Each unit represents a contingent right to receive one common share or an equivalent amount of cash, or a combination of the two, at the discretion of the Company. Currently, we have a sufficient number of authorized unissued shares to satisfy all outstanding equity awards.

Under the 2019 SIP, the Company has issued restricted stock unit ("RSU") awards that are both time-based and performance-based. Each RSU award will indicate the number of shares, the conditions (e.g., service, performance, and/or a combination), and the grant date. Compensation expense is recognized over the vesting period of the awards based on the fair value of the award at grant date.

2023 Stock Incentive Plan

In 2023, a new stock incentive plan ("2023 SIP") was approved by the Company's Board of Directors (the "Board") and shareholders. Since the plan's shareholder approval date of March 30, 2023, no further share-based awards have been issued under the 2019 SIP. The 2023 SIP provides for the issuance of share-based awards to directors and employees of the Company. The 2023 SIP authorized the issuance of 250,000 shares, subject to an annual increase in available shares and shares recycled from the 2019 SIP that were cancelled. Based on our shares outstanding as of March 31, 2026, and awards that were recycled from the 2019 SIP, the total shares authorized for issuance under the plan as of March 31, 2026 was 474,578.

A total of 58,605 and 77,441 shares were issued during the three months ended March 31, 2026, and March 31, 2025, respectively.

For time-based RSUs, the fair value was determined by using the closing stock price on the date prior to the grant date. These RSUs vest over three to five years.

The Board, from time to time, approves performance-based RSU awards that may be earned between a three to five year performance period. Whether or not units are earned at the end of the performance period will be determined based on the achievement of performance and/or market targets (e.g., market capitalization target) over the performance period. If the conditions are achieved, the grant recipient will receive 100% of the units granted as these awards do not provide for a multiplier effect. The performance/market targets are determined by the Board.

The fair value for performance-based RSU awards was determined by using a Monte Carlo simulation analysis to estimate the achievement of the market capitalization target determined by the Board. The Monte Carlo simulation analysis required the following inputs: (1) expected term, (2) expected volatility, (3) risk-free rate, and (4) dividend yield. The expected term was based on the stated performance period. Management used the expected volatility from a peer group. The risk-free interest rate is based on the U.S. Treasury yield curve over the performance period. The dividend yield assumption was based on historical and anticipated dividend payouts.

The following is a summary of all the Company's RSU awards issued under both the 2019 SIP and 2023 SIP:

Non-vested Shares	Shares	Weighted-Average Grant-Date Fair Value
Non-vested at December 31, 2025	180,849	$ 59.43
Granted	58,605	68.41
Vested	(9,232)	73.00
Forfeited	(4,000)	63.34
Non-vested at March 31, 2026	226,222	$ 61.13

As of March 31, 2026, there was $8.7 million of total unrecognized compensation costs related to non-vested shares granted under both the 2019 SIP and 2023 SIP. The cost is expected to be recognized over a weighted average period of 1.26 years.

2023 Employee Stock Purchase Plan

In 2023, an employee stock purchase plan ("2023 ESPP") was approved by the Board and shareholders. Upon the 2023 ESPP's shareholder approval date of March 30, 2023, the 2023 ESPP reserved 250,000 shares of common stock for issuance to employees, subject to an annual increase in reserved shares. At March 31, 2026, total shares authorized for issuance were 473,978 and 442,165 shares were available to be issued. Whole shares are sold to participants in the 2023 ESPP at 85% of the lower of the stock price at the beginning or end of each semi-annual offering period. The first semi-annual offering period began on September 1, 2023, and the current semi-annual offering period began on March 1, 2026. Eligible employees may purchase shares in an amount that does not exceed the lesser of the IRS limit of $25,000 or 15% of their annual salary.

The following table presents information for the 2023 ESPP for the three months ended March 31, 2026:

	March 31, 2026
Shares purchased	6,917
Weighted average price of shares purchased	$ 54.03
Compensation expense recognized (in 000's)	$ 51.8

Stock Appreciation Rights ("SARs")

Upon completion of the Summit Merger and as a part of the Summit Merger Agreement, Burke & Herbert assumed SAR awards that had been issued to existing employees that would continue with the same terms and conditions adjusted for the exchange ratio of 0.5043. As part of the Summit Merger, a significant portion of SAR awards accelerated their vesting and thus did not require any future service component. Management used the Black-Scholes option-pricing model to fair value these accelerated SAR awards and included this value as part of the purchase price consideration.

The Company also used the Black-Scholes option-pricing model to fair value the non-accelerated SAR awards that were not fully vested. The SAR awards that have been assumed by the Company, were issued in 2019, 2021, and 2023, and these SAR awards become exercisable ratably over seven years (14.3% per year) and contractually expire ten years after the grant date.

Upon completion of the Summit Merger, the Company determined the fair value per SAR using the following assumptions:

	2019 SAR	2021 SAR	2023 SAR
# of years to full vesting	7 years	7 years	7 years
Fair value	$ 14.89	$ 16.92	$ 14.56
Risk-free interest rate	4.51 %	4.32 %	4.14 %
Expected dividend yield	3.95 %	3.95 %	3.95 %
Expected common stock volatility	32.56 %	32.56 %	32.56 %
Expected contractual life (in years)	4.77	7.20	8.77

Note 14— Share-Based Compensation (continued)

A summary of SAR and option activity during the three months ended March 31, 2026, is as follows:

Dollars in thousands, except per share information	SARs	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Yrs.)	Weighted Average Exercise Price
Outstanding, December 31, 2025	184,719	$ 1,980	4.84	$ 48.48
Granted (or acquired)	—	—	—	—
Exercised	(20,451)	(353)	—	45.03
Forfeited	—	—	—	—
Expired	—	—	—	—
Outstanding, March 31, 2026	164,268	$ 1,627	4.56	$ 48.91
Exercisable SARs:				
At March 31, 2026	140,976	$ 1,888	4.28	$ 48.90

The total fair value of SARs exercised was $328.6 thousand during the three months ended March 31, 2026. The total fair value of SARs vested was $73.2 thousand during the three months ended March 31, 2026. As of March 31, 2026, there was $225.6 thousand of total unrecognized compensation costs related to non-vested SARs acquired through the Summit Merger. The cost is expected to be recognized over a weighted average period of 1.96 years.

Note 15— Earnings Per Share

Basic earnings per share excludes dilution and is computed by dividing net income applicable to common shares by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential impact of contingently issuable shares. The Company uses the treasury stock method as described by ASC 260 - *Earnings Per Share* for each dilutive instrument when computing diluted earnings per share.

The following shows the weighted average number of shares used in computing earnings per share and the effect of weighted average number of shares dilutive potential common stock. Dilutive potential common stock has no effect on income available to common shareholders.

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Net income (loss) applicable to common shares (in thousands)	$ 27,124	$ 26,976
Weighted average number of shares	15,037,330	14,976,483
Options effect of dilutive shares	94,151	49,893
Weighted average dilutive shares	15,131,481	15,026,376
Basic earnings (loss) per common share	$ 1.80	$ 1.80
Diluted earnings (loss) per common share	1.79	1.80

Stock awards equivalent to 9,816 and 41,553 shares of common stock were not considered in computing diluted earnings per common share for the three months ended March 31, 2026, and March 31, 2025, respectively, because they are antidilutive.

Note 16— Goodwill and Other Intangible Assets

The following table presents the change in goodwill for the three months ended March 31, 2026, and March 31, 2025, (in thousands):

	Three Months Ended March 31,	
	2026	2025
Beginning of period	$ 34,149	$ 32,783
Acquired goodwill	2,104	—
Goodwill adjustment	—	59
Impairment	—	—
End of period	$ 36,253	$ 32,842

During the year ended December 31, 2024, the Company recorded $32.8 million of goodwill associated with the Summit Merger. During the three months ended March 31, 2026, the Company recorded $2.1 million of additional goodwill associated with the acquisition of Burke & Herbert Wealth Services, LLC, formerly known as Piedmont Wealth Management.

The Company performs the annual goodwill impairment test on September 30 every year.

Other intangible assets consist of the core deposit intangible which is being amortized on an accelerated basis over its estimated useful life of 7 years. At the date of the Summit Merger, the Company recorded $68.8 million of core deposit intangibles associated with the Summit Merger.

The gross carrying amounts and accumulated amortization of other intangible assets for the three months ended March 31, 2026, and March 31, 2025, were as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Beginning of period	$ 41,747	$ 57,300
Core deposit intangible acquired	—	—
Amortization	(3,684)	(4,298)
Impairment	—	—
Total core deposit intangible	$ 38,063	$ 53,002

The Company reviews other intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Total amortization expense associated with intangible assets was $3.7 million and $4.3 million for the three months ended March 31, 2026, and March 31, 2025, respectively.

Estimated amortization expense for future years is as follows (in thousands):

	Estimated Amortization
Remaining nine months ending, December 31, 2026	$ 9,413
2027	10,641
2028	8,186
2029	5,730
2030	3,274
Thereafter	819
Total	$ 38,063

Note 17— Segment Information

Segment performance is evaluated using consolidated net income. The Company operates in one segment – Community Banking and the financial performance of this one segment is used to make resource allocations and performance decisions. The Company's Chief Executive Officer is in charge of allocating the Company's resources and assessing performance, and has been identified as the chief operating decision maker. While the chief operating decision-maker monitors the revenue streams of the various products and services, operations are managed and financial performance is evaluated on a Company-wide basis. Individual operating results are not reviewed by senior management to make resource allocation or performance decisions. Therefore, all of the financial service operations are considered by management to be aggregated in one reportable operating segment.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our consolidated financial condition and results of operations of the Company should be read in conjunction with the preceding consolidated financial statements and notes presented in Item 1. Financial Statements of this Form 10-Q, as well as with the audited consolidated financial statements and notes for the year ended December 31, 2025, included in our Form 10-K filed with the SEC on February 27, 2026 (the "Form 10-K"). Historical results of operations and the percentage relationships among any amounts included and any trends that may appear may not indicate trends in operations or results of operations for any future periods. We are a financial holding company, and we conduct all of our material business operations through the Bank. As a result, the discussion and analysis below primarily relate to activities conducted at the Bank.

Disclosure Regarding Forward-Looking Statements

This Form 10-Q contains statements that we believe are, or may be considered to be, "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 neither historical facts nor assurances of future performance. Instead, they are based on current beliefs, expectations, or assumptions regarding the future of the business, future plans and strategies, operational results, and other future conditions of the Company. All statements other than statements of historical fact included in this Form 10-Q regarding the prospects of our industry or our prospects, plans, financial position, or business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as "plans," "expects" or "does not expect," "is expected," "look forward to," "budget," "scheduled," "estimates," "forecasts," "will continue," "intends," "the intent of," "have the potential," "anticipates," "does not anticipate," "believes," "should," "should not," or variations of such words and phrases that indicate that certain actions, events, or results "may," "could," "would," "might," or "will," "be taken," "occur," or "be achieved," or the negative of these terms or variations of them or similar terms. 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: the possibility that the anticipated benefits of the LNKB 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 the Company does business; the possibility that we may be unable to achieve expected synergies and operating efficiencies of the LNKB Merger within the expected timeframes or at all and to successfully integrate LNKB's operations and those of the Company; such integration may be more difficult, time-consuming or costly than expected; revenues following the LNKB Merger may be lower than expected; the Company's success in executing its business plans and strategies and managing the risks involved in the foregoing; the dilution caused by the Company's issuance of additional shares of its capital stock in connection with the LNKB Merger; 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, including the impact of the federal government shutdown that began in October 2025 and with respect to spending on industries concentrated in our market area, 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 or events; the development and use of artificial intelligence ("AI") in business processes, services, and products, including emerging external focus among regulators and other officials related to risks in connection with the development and use of AI; the potential adverse effects of unusual and infrequently occurring events, such as weather-related disasters, terrorist acts, geopolitical conflicts and tensions, or public health events (such as pandemics), and of governmental and societal responses thereto; 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, 2025 and in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors in this Form 10-Q.

Overview

Burke & Herbert was organized as a Virginia corporation in 2022 to serve as the holding company for the Bank. Burke & Herbert became a bank holding company when it commenced operations on October 1, 2022, following a reorganization transaction in which it acquired control of the Bank under the BHCA. This transaction was treated as an internal reorganization as all shareholders of the Bank became shareholders of Burke & Herbert. Burke & Herbert has no material operations other than owning the Bank. In September 2023, Burke & Herbert elected to become a financial holding company under the BHCA. As a financial holding company of a Virginia state bank, Burke & Herbert is subject to regulation, supervision, and examination by the Federal Reserve and the Virginia BFI. The Bank is a Virginia chartered commercial bank that commenced operations in 1852. The Bank became a member of the Federal Reserve System on December 31, 2024. The Bank is subject to regulation, supervision, and examination by the Federal Reserve (through the Federal Reserve Bank of Richmond) and the Virginia BFI.

The Bank's primary market area includes northern Virginia and West Virginia, and as of March 31, 2026, it has over 77 branches and commercial loan offices across Delaware, Kentucky, Maryland, Virginia, and West Virginia. The Company's branch locations accept business and consumer deposits from a diverse customer base. The Company's deposit products include checking, savings, and term certificate accounts. The Company's loan portfolio includes commercial and consumer loans, a substantial portion of which are secured by real estate.

The Bank derives a significant portion of its income from interest received on loans and investments. The Bank's primary source of funding is deposits, both interest-bearing and non-interest-bearing. In order to maximize the Bank's net interest income, or the difference between the income on interest-earning assets and the expense of interest-bearing liabilities, the Bank must not only manage the volume of these balance sheet items, but also the yields earned on interest-earning assets and the rates paid on interest-bearing liabilities. To account for credit risk inherent in all loans, the Bank maintains an ACL to absorb expected credit losses on existing loans that may become uncollectible. The Bank establishes and maintains this ACL by charging a provision for credit losses against operating earnings. In order to maintain its operations and branch locations, the Bank incurs various operating expenses which are further described within the "Results of Operations" later in this section.

As of March 31, 2026, we had total consolidated assets of $7.9 billion, gross loans of $5.4 billion, total deposits of $6.3 billion, and total shareholders' equity of $864.5 million. As of March 31, 2026, we had 830 full-time employees. None of our employees are covered by a collective bargaining agreement.

Merger With LINKBANCORP, Inc.

Effective on May 1, 2026, Burke & Herbert Financial Services Corp., a Virginia corporation, completed its previously announced merger with LINKBANCORP, Inc., a Pennsylvania corporation, pursuant to the LNKB Merger Agreement between Burke & Herbert and LNKB. See Note 1 - Nature of Business Activities and Significant Accounting Policies, in Notes to Consolidated Financial Statements for additional information regarding the LNKB merger.

Critical Accounting Policies and Estimates

Our accounting and reporting policies conform to accounting principles generally accepted in the United States of America and conform to general practices within the industry in which we operate. To prepare financial statements in conformity with GAAP, management makes estimates, assumptions, and judgments based on available information. These estimates,

assumptions, and judgments affect the amounts reported in the financial statements and accompanying notes and are based on information available as of the date of the financial statements and, as this information changes, actual results could differ from the estimates, assumptions, and judgments reflected in the financial statements. In particular, management has identified several accounting policies that, due to the estimates, assumptions, and judgments inherent in those policies, are critical in understanding our financial statements.

Our most significant accounting policies are presented in the notes to the accompanying consolidated financial statements. These policies, along with the other disclosures presented in the financial statement notes and in this financial review, provide information on how significant assets and liabilities are valued in the financial statements and how those values are determined. Based on the valuation techniques used and the sensitivity of financial statement amounts to the methods, assumptions, and estimates underlying those amounts, we have identified business combination and goodwill, the determination of the allowance for credit losses, and income taxes to be the accounting areas that require the most subjective or complex judgments, and as such, could be most subject to revision as new information becomes available.

Business Combination and Goodwill

For acquisitions, we are required to record the assets acquired, including identified intangible assets such as core deposit intangibles, and the liabilities assumed at their respective fair values. The difference between consideration and the net fair value of assets acquired is recorded as goodwill. Management uses significant estimates and assumptions to value such items, including projected cash flows, repayment rates, default rates and losses assuming default, discount rates, and realizable collateral values. The allowance for credit losses for purchased credit deteriorated ("PCD") and purchased seasoned loans ("PSL") loans is recognized within acquisition accounting. The allowance for credit losses for non-PCD and non-PSL assets is recognized as provision for credit losses in the same reporting period as the acquisition. Fair value adjustments are amortized or accreted into the income statement over the estimated life of the acquired assets or assumed liabilities. The purchase date valuations and any subsequent adjustments determine the amount of goodwill recognized in connection with the acquisition. The use of different assumptions could produce significantly different valuation results, which could have material positive or negative effects on our results of operations. The carrying value of goodwill recorded must be reviewed for impairment on an annual basis, as well as on an interim basis if events or changes indicate that the asset might be impaired. An impairment loss must be recognized for any excess of carrying value over fair value of the goodwill.

The determination of fair values is based on valuations using management's assumptions of future growth rates, future attrition, discount rates, multiples of earnings or other relevant factors. In addition, we engage third party specialists to assist in the development of fair values. Preliminary estimates of fair values may be adjusted for a period of time subsequent to the acquisition date if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. Adjustments recorded during this period are recognized in the current reporting period. Management uses various valuation methodologies to estimate the fair value of these assets and liabilities, and often involves a significant degree of judgment, particularly when liquid markets do not exist for the particular item being valued. Examples of such items include loans, deposits, identifiable intangible assets, and certain other assets and liabilities.

Changes in these factors, as well as downturns in economic or business conditions, could have a significant adverse impact on the carrying value of assets, including goodwill and liabilities, which could result in impairment losses affecting our financial statements as a whole and our banking subsidiary in which the goodwill resides.

Allowance for Credit Losses

The allowance for credit losses represents our estimate of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and projections including reasonable and supportable, reversion, and post-reversion forecasts. It is a valuation account that is deducted from the financial assets' amortized cost basis to present the net amount expected to be collected on the financial asset. Financial assets are charged-off against the allowance when management believes the uncollectibility of a financial asset is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The Company's loan portfolio is the largest financial asset that is in scope of this critical accounting estimate. Determining the amount of the allowance for credit losses is considered a critical accounting estimate, because it is based on the evaluation of the size and current risk characteristics of the loan portfolio, past events, current conditions, reasonable and supportable forecasts, and prepayment experience as related to credit contractual terms. Management estimates the

allowance balance using relevant available information from internal and external sources. Historical credit loss experience provides the basis for the estimation of expected credit losses; adjustments to historical loss information are made for differences in current loan-specific risk characteristics, such as differences in underwriting standards, portfolio mix, and delinquency levels, as well as for changes in environmental conditions, such as changes in unemployment rates, property values, or other relevant factors. The model methodology used for funded credits, along with taking into consideration the probability of drawdowns or funding on unfunded commitments and whether such commitments are irrevocable or not by the Company, is how the Company determines the allowance for credit losses for unfunded commitments. These evaluations are conducted at least quarterly and more frequently, if deemed necessary.

The Company is using an internally developed model that produces an estimate of the allowance for credit losses as the lifetime expected credit losses of the loan portfolio. This model uses a remaining useful life or weighted average remaining maturity (“WARM”) method within defined-contractual terms by federal call codes. The model forecasts net charge-off rates by call codes using ordinary least squares (“OLS”) regression models that use macroeconomic variables to forecast the Company’s and peer banks’ net charge-off rates. These models are used to produce reasonable and supportable forecasts of net charge-off rates. The macroeconomic variables utilized by the Company include variables that meet defined criteria in forecasting credit losses for our loan portfolio. These variables include, but are not limited to, unemployment rates, housing and commercial real estate prices, gross domestic product levels, equity market conditions or interest rates, as well as other variables that are portfolio-specific, such as those pertaining to commercial real estate or to residential loan portfolios. The Company sources the macroeconomic variables and the macroeconomic variable forecasts that it uses in its ACL model from the Standard & Poor’s Global Market Intelligence and from CoStar Group.

The Company currently has set an initial reasonable and supportable forecast period of two years with subsequent immediate reversion to the historical average loss rates in remaining periods of the modeled contractual terms. Based on management’s analysis, adjustments may be applied for additional factors impacting the risk of loss in the loan portfolio beyond information used to calculate reasonable and supportable forecast and the subsequent reversion to historical loss information on collectively evaluated loans. As the reasonable and supportable forecast and reversion period forecast reflects the use of the macroeconomic variable loss drivers, management may consider that an additional or reduced reserve is warranted through qualitative risk factors based on current and expected conditions, including those that utilize supplemental information relative to the macroeconomic variable loss drivers. Qualitative adjustments considered by management include the following: (i) management’s assessment of macroeconomic forecasts used in the model and how those forecasts align with management’s overall evaluation of current expected credit conditions; (ii) organization specific risks such as credit concentrations, collateral specific risks, nature and size of the portfolio, and external factors that may ultimately impact credit quality; and (iii) underwriting and delinquency trends. The qualitative factors applied at March 31, 2026, and the importance and levels of the qualitative factors applied, may change in future periods depending on the level of changes to items such as the uncertainty of economic conditions and management’s assessment of the level of credit risk within the loan portfolio as a result of such changes, compared to the amount of ACL calculated by the model. Management reviews supplemental data sources including historical net charge-off rates and data measuring other specific credit outcomes from its systems of record in supporting qualitative factors. However, qualitative factor evaluations are inherently imprecise and require significant management judgment.

Income Taxes

The Company’s income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect management’s best assessment of estimated taxes due. The calculation of each component of the Company’s income tax provision is complex and requires the use of estimates and judgments in its determination. As part of the Company’s evaluation and implementation of business strategies, consideration is given to the regulations and tax laws that apply to the specific facts and circumstances for any tax position under evaluation. Management closely monitors tax developments on both the federal and state level in order to evaluate the effect they may have on the Company’s overall tax position and the estimates and judgments used in determining the income tax provision and records adjustments, as necessary.

Deferred income taxes arise from temporary differences between the tax and financial statement recognition of revenue and expenses. In evaluating the Company’s ability to recover its deferred tax assets within the jurisdiction from which they arise, the Company must consider all available evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies, and the results of recent operations. A valuation allowance is recognized for a deferred tax asset if, based on the available evidence, it is more likely than not that some portion or all of a deferred tax asset will not be realized. See Note 8 — Income Taxes, in Notes to the December 31, 2025, Consolidated Financial Statements of the Company for additional information.

Non-GAAP Financial Measures

We prepare our financial statements in accordance with U.S. GAAP and also present certain non-GAAP financial measures that exclude certain items or otherwise include components that differ from the most directly comparable measures calculated in accordance with U.S. GAAP. Non-GAAP measures are provided as additional useful information to assess our financial condition and results of operations (including period-to-period operating performance). These non-GAAP measures are not intended as a substitute for GAAP financial measures and may not be defined or calculated the same way as non-GAAP measures with similar names used by other companies. For more information, including the reconciliation of these non-GAAP financial measures to their corresponding GAAP financial measures, see the respective sections where the measures are presented.

Commercial Real Estate Sector Concentration

In recent years, commercial real estate ("CRE") markets have been impacted by economic disruptions, including those resulting from the effects of increases in remote work in urban centers and changes in the characteristics of certain urban centers. CRE loans are generally viewed as having a greater risk of default than other types of loans and depend on cash flows from the owner's business or the property's tenants to service the debt. The borrower's cash flows may be affected significantly by general economic conditions. Adverse conditions in the real estate market or the general business climate and economy or in occupancy rates where the property is located could increase the likelihood of default. In particular, CRE office borrowers in central business districts have been impacted by decreased property valuations, oversupply due to remote work trends, and rising interest rates which has increased default rates and impeded their ability to secure new financing. CRE loans generally have large loan balances, and therefore, the deterioration of one or a few of these loans could cause a significant increase in the percentage of our non-performing loans. An increase in non-performing loans could result in a loss of earnings from these loans, an increase in the provision for loan losses, and an increase in charge-offs, all of which could have a material adverse effect on our financial condition and results of operations.

The Bank continues to monitor its commercial real estate portfolio by reviewing various credit risk and concentration reports. The Bank's exposure to CRE at March 31, 2026, was $2.8 billion, or 51.9%, of its gross loan portfolio, not including owner-occupied commercial real estate and acquisition, construction & development. Commercial real estate as a percent of total assets at March 31, 2026, was 35.4%, not including owner-occupied commercial real estate and acquisition, construction & development. Including owner-occupied commercial real estate and acquisition, construction & development, total exposure was at $3.7 billion, or 69.1%, of our total gross loans and 47.2% of total assets at March 31, 2026.

Loan balances by portfolio segment amortized cost (in thousands) and by percentage of our total gross loan portfolio at March 31, 2026, were as follows:

	March 31, 2026	
	Amortized Cost	**Percentage**
Commercial real estate	$ 2,806,846	51.9 %
Owner-occupied commercial real estate	579,365	10.7
Acquisition, construction & development	352,686	6.5
Commercial & industrial	504,229	9.4
Single family residential (1-4 units)	1,128,740	20.9
Consumer non-real estate and other	32,801	0.6
Total gross loans	$ 5,404,667	100.0 %

Monitoring of the CRE concentration is performed at both the loan level and at the portfolio level. The Credit Risk Management team provides management and the Board with periodic reports on the credit portfolio, which include the CRE portfolio (including owner-occupied CRE and acquisition, construction & development loans). These reports provide

an assessment of asset quality and risk rating migration and monitor concentrations against the board approved concentration limits (including sub-limits).

The tables below present the Company's commercial real estate, owner-occupied commercial real estate, and acquisition, construction & development portfolios by collateral type and geographic location as of March 31, 2026 (in thousands).

	Commercial Real Estate by Collateral Type and Geographic Location						
	VA	WV	MD	DC	Other	Total	Percentage
Retail Real Estate	$ 308,099	$ 62,863	$ 97,696	$ 38,831	$ 93,640	$ 601,129	21.4 %
Multi-Family	228,517	100,220	29,206	77,503	29,270	464,716	16.6
Office Buildings/Condos	234,939	33,561	131,080	66,599	56,805	522,984	18.6
Hotels/Motels	99,065	46,460	105,145	36,933	84,319	371,922	13.3
Industrial/Warehouse	241,484	12,129	34,700	—	—	288,313	10.2
Self-Storage	53,926	21,994	1,401	—	41,995	119,316	4.3
Nursing-Assisted Living	41,692	26,250	6,238	—	37,080	111,260	4.0
Restaurants	14,958	2,253	10,081	5,140	3,900	36,332	1.3
Gas Stations	7,737	1,481	1,927	14,292	2,286	27,723	1.0
Other	171,739	7,631	15,610	46,685	21,486	263,151	9.3
Total	$ 1,402,156	$ 314,842	$ 433,084	$ 285,983	$ 370,781	$ 2,806,846	100.0 %

	Owner-Occupied Commercial Real Estate by Collateral Type and Geographic Location						
	VA	WV	MD	DC	Other	Total	Percentage
Office Buildings/Condos	$ 58,193	$ 29,396	$ 14,964	$ 719	$ 8,118	$ 111,390	19.2 %
Retail	43,941	34,492	12,032	—	14,979	105,444	18.3
Industrial/Warehouse	41,100	12,577	1,232	—	11,047	65,956	11.4
Gas Stations	27,046	9,547	4,401	—	18,343	59,337	10.2
Restaurants	7,216	7,612	3,933	—	10,135	28,896	5.0
Churches/Religious Organizations	16,377	7,399	906	224	2,582	27,488	4.7
Coal, oil, gas, and natural resource extraction	538	5,947	—	—	—	6,485	1.1
Private School	14,165	—	—	—	—	14,165	2.4
Other	94,129	19,446	29,750	314	16,565	160,204	27.7
Total	$ 302,705	$ 126,416	$ 67,218	$ 1,257	$ 81,769	$ 579,365	100.0 %

	Acquisition, Construction & Development by Collateral Type and Geographic Location						
	VA	WV	MD	DC	Other	Total	Percentage
Multi-Family	$ 22,897	$ —	$ 43,088	$ 28,945	$ 36,182	$ 131,112	37.2 %
Land	101,817	20,677	12,990	—	5,776	141,260	40.1
Office Buildings/Condos	4,470	—	1,124	—	6,881	12,475	3.5
Self-Storage	5,423	—	23,673	—	—	29,096	8.2
Retail Real Estate	1,492	—	—	—	944	2,436	0.7
Residential For-Sale	597	1,022	—	—	—	1,619	0.5
Other	12,311	15,705	4,189	—	2,483	34,688	9.8
Total	$ 149,007	$ 37,404	$ 85,064	$ 28,945	$ 52,266	$ 352,686	100.0 %

CRE loans are monitored through various processes that include payment monitoring, financial reporting, and covenant compliance monitoring, and annual reviews for larger relationships. Furthermore, construction loans are monitored throughout the life of the project and the construction loan administration function is centralized within the Credit Risk Management team. Monitoring the market conditions is also an important component of prudent CRE risk management. Quarterly construction progress reviews are also completed on all acquisition, construction & development loans. For each

loan, management reviews the adequacy of the construction budget, adequacy of the interest reserve, pace of construction, and review of any loan covenants.

The Bank believes its underwriting and monitoring standards for commercial real estate loans are sufficient to evaluate its loan portfolio and keep it from incurring significant losses. The largest concentration of the Bank's commercial real estate loans are in Virginia (approximately 49.6%), and the Bank does not have significant exposure to any economic areas of the country that are underperforming the national economy. Additionally, the Bank's overall exposure to the "Office Building / Condo" collateral type is 17.3% of total commercial real estate loans, including owner-occupied commercial real estate and acquisition, construction & development. The Bank believes that the combined loan portfolio is well-diversified, generally seasoned, manageable, and will outperform the industry in terms of performance through the economic cycle; however, our underwriting, review, and monitoring cannot eliminate all of the risks related to these loans. For further discussion see Part II, Item 1A. "Risk Factors".

Liquidity Management

Liquidity is the ability of the Company to convert assets into cash or cash equivalents without significant loss and to raise additional funds by increasing liabilities. Liquidity management involves maintaining the Company's ability to meet the day-to-day cash flow requirements of its customers, whether they are depositors wishing to withdraw funds or borrowers requiring funds to meet their credit needs. Without proper liquidity management, the Company would not be able to perform the primary function of a financial intermediary and would, therefore, not be able to meet the needs of the communities it serves.

The Company assesses the need for liquidity in a variety of scenarios. Those scenarios may include projected growth, credit deterioration, deposit decay, interest rate changes, and a variety of other economic scenarios that can impact the liquidity position of the Company. These analyses are performed on a quarterly basis in conjunction with the Company's Asset/Liability meetings, and findings are reported to the Asset and Liability Management Committee (the "ALCO") and to the Board. From time to time, management may change the frequency of such testing or update certain inputs as a result of abnormal market conditions.

Findings, as a result of the Company's prudent liquidity modeling, may result in the change of certain products offered to customers or adjust the way the Company manages its balance sheet. Such changes could include adjusting interest rates offered on certain deposit products, changes to interest rates charged in lending activities, or the suspension of certain products and activities altogether. Times of significant economic stress may cause the mix of funding to shift and increase the likelihood of changes to certain products in order to manage the Company's overall liquidity and capital position.

The asset portion of the balance sheet provides liquidity primarily through unencumbered securities available-for-sale, loan principal and interest payments, maturities and prepayments of investment securities, and, to a lesser extent, sales of investment securities available-for-sale. Other short-term investments available to the Company that could act as potential sources of liquidity are federal funds sold, securities purchased under agreements to resell, and maturing interest-bearing deposits with other banks.

The liability portion of the balance sheet provides liquidity through interest-bearing and non-interest-bearing deposit accounts and through FHLB and other borrowings. Brokered deposits, federal funds purchased, securities sold under agreements to repurchase, and other short-term borrowings are additional sources of liquidity and basically represent the Company's incremental borrowing capacity. These sources of liquidity are used as necessary to fund asset growth and meet short-term liquidity needs.

In addition to the Company's financial performance and condition, liquidity may be impacted by the Company's structure as a financial holding company that is a separate legal entity from the Bank. The Company requires cash for various operating needs that could include payment of dividends to its shareholders, the servicing of debt, and the payment of general corporate expenses. The primary source of liquidity for the Company is dividends paid by the Bank. Applicable federal and state statutes and regulations impose restrictions on the amount of dividends that may be paid by the Bank. In addition to the formal statutes and regulations, regulatory authorities also consider the adequacy of the Bank's total capital in relation to its assets, deposits, and other such items. Any future dividends must be set forth in the Company's capital plans before any dividends can be paid.

Management believes that the current sources of liquidity are adequate to meet the Company's requirements and plans for continued growth. See Note 6 - Borrowed Funds and Note 10 - Commitments and Contingencies, in Notes to Consolidated

Financial Statements for additional information regarding outstanding balances of sources of liquidity and contractual commitments and obligations.

Capital

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements.

Applicable capital rules under the Basel III Framework require the Company and the Bank to maintain minimum Common Equity Tier 1 ("CET 1"), Tier 1, and Total Capital ratios, along with a capital conservation buffer, effectively resulting in new minimum capital ratios. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET 1 capital to risk-weighted assets above the minimum but below the conservation buffer (or below the combined capital conservation buffer and counter-cyclical capital buffer, when the latter is applied) will face constraints on dividends, equity repurchases, and compensation based on the amount of the shortfall. The Basel III Framework also provide for a "counter-cyclical capital buffer" that is applicable to only certain covered institutions and does not have any current applicability to the Company or the Bank.

Under capital adequacy guidelines and the regulatory framework for "prompt corrective action," the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Additionally, federal banking laws require regulatory authorities to take "prompt corrective action" with respect to depository institutions that do not satisfy minimum capital requirements. The extent of these powers depends upon whether the institution in question is "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized," or "critically undercapitalized," as such terms are defined under federal banking agency regulations. Depository institutions that do not meet minimum capital requirements will face constraints on payment of dividends, equity repurchases, and compensation based on the amount of shortfall. A depository institution that is not "well capitalized" is generally prohibited from accepting brokered deposits and offering interest rates on deposits higher than the prevailing rate in its market, may be subject to asset growth limitations, and may be required to submit capital restoration plans.

As of March 31, 2026, and December 31, 2025, the Bank complied with all regulatory capital standards and qualifies as "well capitalized." Note 8 - Regulatory Capital Matters in Notes to Consolidated Financial Statements contains additional discussion and analysis regarding the Company and the Bank's regulatory capital requirements.

Effects of Inflation

The majority of assets and liabilities of a financial institution are monetary in nature; therefore, a financial institution differs greatly from most commercial and industrial companies, which have significant investments in fixed assets or inventories that are greatly impacted by inflation. However, inflation does have an important impact on the growth of total assets in the banking industry and the resulting need to increase equity capital at higher-than-normal rates in order to maintain an appropriate equity-to-assets ratio. Inflation also affects other expenses that tend to rise during periods of general inflation.

Management believes the most significant potential impact of inflation on financial results is a direct result of the Company's ability to manage the impact of changes in interest rates. Management attempts to maintain a balanced position between rate-sensitive assets and liabilities over an economic cycle in order to minimize the impact of interest rate fluctuations on net interest income. However, this goal can be difficult to completely achieve in times of rapidly changing interest rates and is one of many factors considered in determining the Company's interest rate positioning.

Key Factors Affecting Financial Performance

We face a variety of risks that may impact various aspects of our financial performance from time to time. The extent of such impacts may vary depending on factors such as the current business and economic conditions, political and regulatory environment, and operational challenges. Many of these risks and our risk management strategies are described in more

detail elsewhere in this Report as well as with the audited consolidated financial statements and notes for the year ended December 31, 2025, included in our Form 10-K.

Our success will depend upon, among other things, the following factors that we manage or control:

- Effectively managing capital and liquidity, including:
    - Continuing to maintain and, over time, grow our deposit base as a low-cost stable funding source,
    - Prudent liquidity and capital management to meet evolving regulatory capital, capital planning, stress testing, and liquidity standards, and
    - Actions we take within the capital and other financial markets,
- Our ability to manage any material costs related to the execution of our strategic priorities, including increased employees, infrastructure, compliance, and other costs in a profitable manner over the long term,
- Management of credit risk and interest rate risk in our portfolio,
- Our ability to continue to attract customers and compete with other banks and financial services providers in our markets,
- Our ability to manage and implement strategic business objectives within the changing regulatory environment,
- The impact of legal and regulatory-related contingencies,
- The appropriateness of critical accounting estimates and related contingencies,
- Our ability to manage operational risks related to new products and services, changes in processes and procedures, or the implementation of new technology, and
- The ability to make investments to promote compliance with existing and evolving regulatory requirements that will increase as the Company grows and will result in increased administrative expenses that we did not previously incur, which costs may materially increase our general and administrative expenses, and
- Our success realizing the expected benefits of the LNKB Merger and integrating the operations and customers of LNKB, and continuing to efficiently satisfy the obligations associated with being a public company, all of which will require significant resources and management attention and may divert management’s attention from our business operations.

Our financial performance is also substantially affected by a number of external factors outside of our control, including the following:

- Economic conditions, and volatility in markets, including the effects of pandemics, wars, political conflicts, political instability and uncertainty both in the U.S. and abroad, government spending policies, trade policies, including tariffs and tariff counter-measures, and other barriers to trade (including the threat of such actions), the availability of labor, supply chain volatility, and any actions taken to mitigate and manage such impacts;
- The actions or inactions (including assumptions about potential actions or inactions) by the Federal Reserve, U.S. Treasury, and other government agencies, including those that impact money supply and market interest rates and inflation;
- The level of, and direction, timing, and magnitude of movement in interest rates and the shape of the interest rate yield curve;
- The functioning and other performance of and availability of liquidity in U.S. and global financial markets, including capital markets;
- Changes in the competitive landscape;

- Impacts of changes in federal, state, and local governmental policy, including on the regulatory landscape, capital markets, employment and unemployment levels in our markets, taxes, infrastructure spending, and social programs;
- The effect of climate change on our business and performance, including indirectly through impacts on our customers;
- The impact of market credit spreads on asset valuations;
- The ability of customers, counterparties, and issuers to perform in accordance with contractual terms and the resulting impact on our asset quality;
- Loan demand, utilization of credit commitments, and standby letters of credit; and
- The impact on customers and changes in customer behavior due to changing business and economic conditions or regulatory or legislative initiatives.

Risks related to these items, where material to the Company's business, are discussed in the applicable sections of this Management's Discussion and Analysis of Financial Condition and Results of Operation. For additional information on the risks we face, see Part II, Item 1A. - Risk Factors.

Selected Financial Data

The following table contains selected historical consolidated financial data as of the dates and for the periods shown. The selected balance sheet data as of March 31, 2026, and March 31, 2025, and the selected income statement data for the three months ended March 31, 2026, and March 31, 2025, have been derived from our consolidated financial statements included elsewhere in this Form 10-Q and in other filings we have submitted with the SEC and should be read in conjunction with the other information contained in this Form 10-Q.

	For the Period Ended March 31,	
(In thousands, except ratios, share and per share data)	**2026**	**2025**
Selected Financial Condition Data:		
Total assets	$ 7,927,711	$ 7,838,090
Total cash and cash equivalents	69,592	148,846
Total investment securities, at fair value	1,826,037	1,436,869
Net loans	5,336,712	5,579,754
Company-owned life insurance	214,606	184,018
Premises and equipment, net	136,806	132,289
Total deposits	6,332,265	6,541,871
Short-term borrowings	525,000	300,000
Total shareholders' equity	864,504	758,000
Common shareholders' equity	854,091	747,587

	As of or for the Three Months Ended March 31,	
	2026	**2025**
Selected Operating Data:		
Interest income	$ 105,456	$ 110,786
Interest expense	33,613	37,799
Net interest income	71,843	72,987
Provision for credit losses	12	501
Total non-interest income	12,853	10,023
Total non-interest expenses	51,381	49,664
Income before income taxes	33,303	32,845
Income tax expense	5,954	5,644
Preferred stock dividends	225	225
Net income applicable to common shares	27,124	26,976
Per Share Data:		
Average shares of common stock outstanding, basic	15,037,330	14,976,483
Average shares of common stock outstanding, diluted	15,131,481	15,026,376
Total shares of common stock outstanding	15,045,941	14,982,807
Basic net income per common share	$ 1.80	$ 1.80
Diluted net income per common share	1.79	1.80
Dividends declared per common share	0.55	0.55
Common stock dividend payout ratio [1]	30.73 %	30.56 %
Book value per common share (at period end)	$ 56.77	$ 49.90

	As of or for the Three Months Ended March 31,	
	2026	2025
Performance Ratios:		
Return on average assets	1.39 %	1.41 %
Return on average common equity [2]	12.77	14.78
Interest rate spread [3]	3.53	3.55
Net interest margin [4]	4.09	4.18
Efficiency ratio [5]	60.67	59.83
Capital Ratios:		
Common equity tier 1 (CET 1) capital to risk-weighted assets	13.78 %	11.77 %
Total risk-based capital to risk-weighted assets	16.52	14.79
Tier 1 capital to risk-weighted assets	14.22	12.20
Tier 1 capital to average assets (leverage ratio)	11.27	10.12
Asset Quality Ratios:		
Allowance coverage ratio	1.26 %	1.20 %
Allowance for credit losses as a percentage of non-performing loans	86.50	104.63
Net charge-offs to average outstanding loans during the period	0.00	0.02
Non-performing loans as a percentage of total loans	1.45	1.15
Non-performing assets as a percentage of total assets	1.03	0.86
Other Data:		
Number of full-service branches	77	77
Number of full-time equivalent employees	830	814

(1) Common stock dividend payout ratio represents per share dividends declared divided by diluted earnings per share.

(2) Return on average common equity computed using total average common equity at period-end.

(3) The interest rate spread represents the difference between the fully taxable-equivalent weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.

(4) The net interest margin represents fully taxable-equivalent net interest income as a percent of average interest-earning assets for the period.

(5) The efficiency ratio represents non-interest expense as a percentage of the sum of net interest income and non-interest income.

Results of Operations for the Three Months Ended March 31, 2026, and March 31, 2025

General

Net income applicable to common shares for the three months ended March 31, 2026, was $27.1 million, compared to net income applicable to common shares of $27.0 million during the three months ended March 31, 2025. The $0.1 million increase was due to a decrease in interest expense, and an increase in non-interest income, partially offset by a decrease in interest income, and an increase in non-interest expense for the three months ended March 31, 2026, compared to the three months ended March 31, 2025.

Net interest income decreased by $1.1 million to $71.8 million for the three months ended March 31, 2026, compared to $73.0 million for the three months ended March 31, 2025. The main driver for this decrease was results that reflect lower interest income, primarily related to lower accretion income, which was partially offset by lower interest expense when compared to the three months ended March 31, 2025.

For the three months ended March 31, 2026, the Company recorded credit provision expense of $12.0 thousand compared to a provision of $501.0 thousand for the three months ended March 31, 2025. For the three months ended March 31, 2026, credit loss expense on loans and AFS securities was $213.0 thousand compared to $900.0 thousand for the three months ended March 31, 2025. For the three months ended March 31, 2026, credit loss expense on loans and AFS securities was offset by a credit expense recapture of $201.0 thousand on off-balance sheet credit exposures. For the three months ended March 31, 2025, credit loss expense on loans and AFS securities was offset by a credit expense recapture of $398.8 thousand on off-balance sheet credit exposures.

Non-interest income increased by $2.8 million, or 28.2%, to $12.9 million for the three months ended March 31, 2026, as compared to $10.0 million for the three months ended March 31, 2025. Increases in fiduciary and wealth management, net gains on securities, income from company-owned life insurance, and other non-interest income exceeded declines in service charges and fees income and bank debit and other card revenue for the three months ended March 31, 2026, compared to the three months ended March 31, 2025.

Non-interest expense increased by $1.7 million, or 3.5%, to $51.4 million for the three months ended March 31, 2026, as compared to $49.7 million for the three months ended March 31, 2025. The increase was primarily due to increases in salaries and wages, pensions and other employee benefits, equipment rentals, depreciation and maintenance, FDIC and other regulatory assessments and other operating expense for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The increases were partially offset by a decrease in core deposit intangible amortization for the three months ended March 31, 2026, compared to the three months ended March 31, 2025.

Net Interest Income and Net Interest Margin

Net interest income is the principal component of the Company’s income stream and represents the difference, or spread, between interest and fee income generated from earning assets and the interest expense paid on deposits and borrowed funds. Net interest margin, stated as a percentage, is the yield obtained by dividing the difference between interest income generated on earning assets and the interest expense paid on all funding sources by average earning assets.

Fluctuations in interest rates as well as changes in the volume and mix of earning assets and interest-bearing liabilities can impact net interest income and net interest margin. Management closely monitors both total net interest income and the net interest margin and seeks to maximize net interest income without exposing the Company to an excessive level of interest rate risk through our asset and liability policies. Interest rate risk is managed by monitoring the pricing, maturity and repricing options of all classes of interest-bearing assets and liabilities.

Net interest income totaled $71.8 million for the three months ended March 31, 2026, compared to $73.0 million for the three months ended March 31, 2025. The decrease in net interest income was primarily driven by results that reflect lower interest income, primarily related to lower accretion income, partially offset by lower interest expense related to lower deposit rates when compared to the three months ended March 31, 2025. Accretion income associated with acquired loans totaled $6.8 million for the three months ended March 31, 2026, compared to $11.4 million for the three months ended March 31, 2025. Amortization expense associated with fair value marks for time deposits, subordinated debt, and trust preferred securities totaled $1.4 million for the three months ended March 31, 2026, compared to $2.2 million for the three months ended March 31, 2025.

The tax-adjusted net interest margin was 4.09% for the three months ended March 31, 2026, compared to 4.18% for the three months ended March 31, 2025. The decrease in tax-adjusted net interest margin was primarily driven by results that reflect lower interest income, primarily related to lower accretion income, partially offset by lower interest expense related to lower deposit rates, when compared to the three months ended March 31, 2025.

The yield for the taxable loan portfolio was 6.64% for the three months ended March 31, 2026, compared to 6.96% for the three months ended March 31, 2025. The decrease was primarily the result of lower accretion income for three months ended March 31, 2026 compared to the three months ended March 31, 2025.

The tax-adjusted yield on the total investment securities portfolio was 4.05% for the three months ended March 31, 2026, compared to 3.85% for the three months ended March 31, 2025. The increase was primarily the result of an increase in balance of higher-yielding securities for the three months ended March 31, 2026, compared to the three months ended March 31, 2025.

The yield on interest-bearing deposits decreased to 2.16% during the three months ended March 31, 2026, from 2.53% during the three months ended March 31, 2025. The decrease was primarily due to lower market interest rates on deposit products reflecting decreases in the Federal Funds Rate and other market rates.

The yield on our short-term borrowings for the three months ended March 31, 2026, was 3.78%, compared to 3.88% for the three months ended March 31, 2025. The decrease was due to decreases in the Federal Funds Rate and other short-term market rates and the addition of derivative swaps that decreased our cost of borrowing. The yield on our subordinated debt assumed in the Summit Merger was 10.46% for the three months ended March 31, 2026, compared to 9.85% for the three months ended March 31, 2025.

The following table sets forth the major components of net interest income and the related yields and rates for the three months ended March 31, 2026, and March 31, 2025, for comparison (dollars in thousands).

	For the Three Months Ended March 31,					
	2026			2025		
	Average Outstanding Balance	Interest Income/Expense	Average Yield / Rate	Average Outstanding Balance	Interest Income/Expense	Average Yield / Rate
Assets:						
Loans, gross [1][2]	$ 5,380,967	$ 88,083	6.64 %	$ 5,651,937	$ 97,031	6.96 %
Tax-exempt loans [1][2]	2,903	51	7.12	4,057	59	5.90
Total loans	5,383,870	88,134	6.64	5,655,994	97,090	6.96
Interest-earning deposits and fed funds sold	70,361	738	4.25	40,757	579	5.76
Taxable AFS securities and other securities [3]	1,128,486	10,513	3.78	1,039,391	9,862	3.85
Tax-exempt AFS securities [3][4]	696,580	7,699	4.48	435,789	4,136	3.85
Total securities	1,825,066	18,212	4.05	1,475,180	13,998	3.85
Total interest-earning assets	7,279,297	107,084	5.97	7,171,931	111,667	6.31
Non-interest-earning assets	633,801			596,807		
Total assets	$ 7,913,098			$ 7,768,738		
Liabilities and shareholders' equity:						
Deposits:						
Non-interest-bearing demand	$ 1,332,090			$ 1,371,615		
Interest-bearing demand	2,286,206	11,161	1.98 %	2,216,243	11,816	2.16 %
Money market & savings	1,675,034	7,558	1.83	1,633,307	8,139	2.02
Brokered CDs & time deposits	1,044,605	8,001	3.11	1,253,841	11,896	3.85
Total interest-bearing deposits	5,005,845	26,720	2.16	5,103,391	31,851	2.53
Total deposits	6,337,935	26,720	1.71	6,475,006	31,851	1.99
Borrowings:						
Short-term borrowings and other	496,501	4,624	3.78	336,245	3,219	3.88
Subordinated debt borrowings	87,979	2,269	10.46	112,383	2,729	9.85
Total interest-bearing liabilities	5,590,325	33,613	2.44	5,552,019	37,799	2.76
Non-interest-bearing liabilities	118,995			94,274		
Equity	871,688			750,830		
Total liabilities and equity	$ 7,913,098			$ 7,768,738		
Taxable-equivalent net interest income /net interest spread [5]		73,471	3.53 %		73,868	3.55 %
Taxable-equivalent net interest margin [6]			4.09 %			4.18 %
Taxable-equivalent net adjustment		(1,628)			(881)	
Net interest income		$ 71,843			$ 72,987	
Net interest-earning assets	$ 1,688,972			$ 1,619,912		

(1) Non-accrual loans are included in average loan balances.

(2) Loan fees are included in the calculation of interest income.

(3) Calculated based on fair value of investment securities.

(4) Yields and interest income on tax-exempt assets are computed on a taxable-equivalent basis assuming a 21% tax rate.

(5) The interest rate spread represents the difference between the fully taxable-equivalent weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.

(6) The net interest margin represents FTE net interest income as a percent of average interest-earning assets for the period.

Taxable-equivalent net interest margin, as presented above, is calculated by dividing FTE net interest income by total average earning assets. Net interest income, on an FTE basis, is a non-GAAP financial measure that the Company believes provides a more accurate picture of the interest margin for comparative purposes. 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. 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. As a non-GAAP measure, FTE net interest income should not be considered as a substitute for the nearest comparable GAAP measure, net interest income. Net interest income shown elsewhere in this presentation is GAAP net interest income. The following table reconciles GAAP net interest income to FTE net interest income (in thousands).

	Three Months Ended	
	March 31, 2026	**March 31, 2025**
GAAP Financial Measurements		
Interest income - Loans	$ 88,083	$ 97,031
Interest income - Tax-exempt loans	40	46
Interest income - Taxable AFS securities and other securities	9,758	9,487
Interest income - Tax-exempt AFS securities	6,082	3,267
Interest income - Other interest income	1,493	955
Total Interest Income	105,456	110,786
Interest expense - Deposits	26,720	31,851
Interest expense - Borrowed funds	4,590	3,192
Interest expense - Subordinated debt	2,269	2,729
Interest expense - Other	34	27
Total interest expense	33,613	37,799
Total net interest income	$ 71,843	$ 72,987
Non-GAAP Financial Measurements		
Add: Tax benefit on tax-exempt interest income	$ 1,628	$ 881
Total tax benefit on tax-exempt interest income [1]	1,628	881
Tax-equivalent net interest income	$ 73,471	$ 73,868

(1) Tax benefit was calculated using the federal statutory tax rate of 21%.

Yield/Rate and Volume Analysis

The following table sets forth the dollar difference in interest earned and paid for each major category of interest-earning assets and interest-bearing liabilities for the noted periods and the amount of such change attributable to changes in average balances (volume) or changes in average interest rates. Interest income and interest expense for the three months ended March 31, 2026, and March 31, 2025, are annualized using actual days over calendar year method. Volume variances are equal to the increase or decrease in average balance multiplied by current period rates, and rate variances are equal to the increase or decrease in rate times prior period average balances. Variances attributable to both rate and volume changes are calculated by multiplying the change in rate by the change in average balance and are allocated to the volume variance. See table below (in thousands).

	Three Months Ended March 31, 2026, compared to March 31, 2025		
	Dollar Increase (Decrease) Due to Change in:		
	Average Volume	Average Yield / Rate	Net Change
Income from the interest-earning assets:			
Loans,[1] gross	$ (4,671)	$ (4,285)	$ (8,956)
AFS securities and other securities [1]	3,320	894	4,214
Interest-bearing deposits and fed funds sold	421	(262)	159
Total interest income on interest-earning assets	(930)	(3,653)	(4,583)
Expense from the interest-bearing liabilities:			
Interest-bearing demand deposits	373	(1,028)	(655)
Money market & savings	208	(789)	(581)
Brokered CDs & time deposits	(1,985)	(1,910)	(3,895)
Total interest expense on interest-bearing deposits	(1,404)	(3,727)	(5,131)
Borrowings			
Short-term borrowings	1,534	(129)	1,405
Subordinated debt and other	(593)	133	(460)
Total borrowings	941	4	945
Total interest expense on interest-bearing liabilities	(463)	(3,723)	(4,186)
Taxable-equivalent net interest income	$ (467)	$ 70	$ (397)

(1) Yields and interest income on tax-exempt loans and securities have been computed on a taxable-equivalent basis.

Interest Income

Total interest income was $105.5 million for the three months ended March 31, 2026, compared to $110.8 million for the three months ended March 31, 2025, a decrease of 4.8%. The decrease in interest income was primarily due to lower accretion income when compared to the three months ended March 31, 2025. Interest income on loans decreased by $9.0 million and interest income on securities increased $3.1 million, for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. Accretion income associated with acquired loans totaled $6.8 million for the three months ended March 31, 2026, compared to $11.4 million for the three months ended March 31, 2025.

Interest Expense

Total interest expense was $33.6 million for the three months ended March 31, 2026, compared to $37.8 million for the three months ended March 31, 2025. The decrease in interest expense was due to results that reflect lower rates on interest-bearing liabilities, and lower amortization expense associated with fair value marks for liabilities acquired in the Summit Merger. Interest expense on interest-bearing deposits decreased by $5.1 million for the three months ended March 31, 2026, compared to the three months ended March 31, 2025, due to lower market rates. Interest on subordinated debt acquired in the Summit Merger was $2.3 million for the three months ended March 31, 2026, compared to $2.7 million for the three months ended March 31, 2025. Interest expense on short-term borrowings amounted to $4.6 million for the three months ended March 31, 2026, compared to $3.2 million for the three months ended March 31, 2025, due to higher average balances. Amortization expense associated with fair value marks for time deposits, subordinated debt, and trust preferred securities totaled $1.4 million for the three months ended March 31, 2026, compared to $2.2 million for the three months ended March 31, 2025.

Provision for (Recapture of) Credit Losses

The provision for credit losses was $12.0 thousand for the three months ended March 31, 2026, compared to a provision of $501.0 thousand for the three months ended March 31, 2025. For the three months ended March 31, 2026, credit loss expense on loans and AFS securities was $213.0 thousand compared to $900.0 thousand for the three months ended March 31, 2025. For the three months ended March 31, 2026, credit loss expense on loans and AFS securities was offset by a credit expense recapture of $201.0 thousand on off-balance sheet credit exposures. For the three months ended March 31, 2025, credit loss expense on loans and AFS securities was offset by a credit expense recapture of $398.8 thousand on off-balance sheet credit exposures.

Non-interest Income

The following table sets forth the various components of our non-interest income for the periods indicated (in thousands):

	Three months ended March 31,		Increase (Decrease)	
	2026	2025	Amount	Percent
Fiduciary and wealth management	$ 3,227	$ 2,443	$ 784	32.1 %
Service charges and fees	1,855	2,178	(323)	(14.8)
Net gains (losses) on securities	1,799	1	1,798	NM
Income from company-owned life insurance	1,479	1,193	286	24.0
Bank debit and other card revenue	2,835	2,884	(49)	(1.7)
Other non-interest income	1,658	1,324	334	25.2
Total	$ 12,853	$ 10,023	$ 2,830	28.2 %

Non-interest income increased 28.2% for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The largest dollar increase was a $1.8 million increase in net gains on securities for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. This increase was driven by an increase in sales in our AFS securities portfolio for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. Increases in fiduciary and wealth management, income from company-owned life insurance, and other non-interest income exceeded declines in service charges and fees income and bank debit and other card revenue for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The fiduciary and wealth management increase was driven by increased wealth and fiduciary services performance.

Non-interest Expense

The following table sets forth the various components of our non-interest expense for the periods indicated (in thousands):

	Three months ended March 31,		Increase (Decrease)	
	2026	2025	Amount	Percent
Salaries and wages	$ 21,413	$ 20,941	$ 472	2.3 %
Pensions and other employee benefits	5,370	5,136	234	4.6
Occupancy	4,027	4,045	(18)	(0.4)
Equipment rentals, depreciation and maintenance	4,188	4,084	104	2.5
Core deposit intangible amortization	3,684	4,298	(614)	(14.3)
ATM, card, and network expense	1,134	1,132	2	0.2
FDIC and other regulatory assessments	1,140	914	226	24.7
Other operating	10,425	9,114	1,311	14.4
Total	$ 51,381	$ 49,664	$ 1,717	3.5 %

Non-interest expense increased $1.7 million, or 3.5%, for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The increase was primarily driven by increases in salaries and wages, pensions and other employee benefits, equipment rentals, depreciation and maintenance, FDIC and other regulatory assessments, and other operating expenses for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The largest dollar increase for the three months ended March 31, 2026, compared to the three months ended March 31, 2025 was a $1.3 million increase in other operating expenses, mostly driven by an increase in merger related expenses. The largest dollar decrease was a $614.0 thousand decrease in core deposit intangible amortization which declined due to its accelerated amortization method. See Note 13 — Other Operating Expense in Notes to Consolidated Financial Statements for further information on "Other" non-interest expense.

Income Tax Expense

Income tax expense was $6.0 million for the three months ended March 31, 2026, an increase of $310.0 thousand from the tax expense of $5.6 million for the three months ended March 31, 2025. The increase was mostly due to additional state taxes incurred in the combined market area after the Summit Merger, for the three months ended March 31, 2026, when

compared to the three months ended March 31, 2025. For the three months ended March 31, 2026, the effective tax rate was 17.9%, while the effective tax rate was 17.2% for March 31, 2025.

Analysis of Financial Condition for the Period Ended March 31, 2026, and December 31, 2025

Assets increased by $7.1 million to $7.9 billion as of March 31, 2026, compared to $7.9 billion as of December 31, 2025. Loans, net of ACL, was essentially flat at $5.3 billion as of March 31, 2026, increasing by $16.9 million from December 31, 2025. Deposits decreased by $71.7 million and amounted to $6.3 billion at March 31, 2026, compared to $6.4 billion at December 31, 2025. Short-term borrowings increased by $75.0 million to $525.0 million as of March 31, 2026, compared to $450.0 million at December 31, 2025. Subordinated debt and subordinated debt owed to unconsolidated subsidiary trusts, which were assumed in the Summit Merger, totaled $88.8 million at March 31, 2026, compared to $87.5 million at December 31, 2025.

Investment Securities

Our investment policy is established and reviewed annually by the Board. We are permitted under federal law to invest in various types of liquid assets, including United States Government obligations, securities of various federal agencies and of state and municipal governments, mortgage-backed securities, time deposits of federally insured institutions, certain bankers' acceptances, and federal funds. Our securities are all classified as AFS.

Our investments provide a source of liquidity because we can pledge them to support borrowed funds or can liquidate them to generate cash proceeds. Our investment portfolio is also a resource in managing interest rate risk because the maturity and interest rate characteristics of this asset class can be modified to match changes in the loan and deposit portfolios. The majority of our AFS investment portfolio is comprised of obligations of states and municipalities and residential mortgage-backed securities. During the three months ended March 31, 2026, the unrealized losses on our holdings increased $14.6 million from December 31, 2025.

The Company determined that the declines in market value were due to increases in interest rates and market movements and not due to credit factors. Therefore, the Company has concluded that the unrealized losses for the AFS securities do not require an ACL at March 31, 2026, or at December 31, 2025.

The Company has sufficient access to liquidity such that management does not believe it would be necessary to sell any of its investment securities at a loss to offset any unexpected deposit outflows. Management believes the structure of the Bank's investment portfolio is appropriately aligned with the rest of the balance sheet to protect against significant and unexpected charges against earnings and capital.

The following tables reflect the amortized cost and fair market values for the total portfolio for each category of investment for March 31, 2026, and December 31, 2025 (in thousands):

	March 31, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available-for-Sale				
U.S. Treasuries and government agencies	$ 158,733	$ —	$ 9,270	$ 149,463
Obligations of states and municipalities	1,054,158	1,868	65,757	990,269
Residential mortgage backed - agency	60,008	357	2,990	57,375
Residential mortgage backed - non-agency	379,401	1,097	8,012	372,486
Commercial mortgage backed - agency	72,465	29	810	71,684
Commercial mortgage backed - non-agency	100,064	282	1,969	98,377
Asset-backed	50,732	111	543	50,300
Other	36,954	186	1,057	36,083
Total	$ 1,912,515	$ 3,930	$ 90,408	$ 1,826,037

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available-for-Sale				
U.S. Treasuries and government agencies	$ 159,088	$ —	$ 8,964	$ 150,124
Obligations of states and municipalities	977,104	5,414	59,944	922,574
Residential mortgage backed - agency	57,731	464	2,810	55,385
Residential mortgage backed - non-agency	221,443	1,860	5,211	218,092
Commercial mortgage backed - agency	74,253	250	607	73,896
Commercial mortgage backed - non-agency	112,082	584	1,557	111,109
Asset-backed	53,954	89	577	53,466
Other	32,162	158	1,012	31,308
Total	$ 1,687,817	$ 8,819	$ 80,682	$ 1,615,954

The investment maturity table below summarizes contractual maturities for our investment securities at March 31, 2026. The actual timing of principal payments may differ from remaining contractual maturities because obligors may have the right to repay certain obligations with or without penalties. The overall weighted average duration of the Company's investment portfolio is 4.6 years at March 31, 2026. The weighted-average yield below represents the effective yield for the investment securities and is calculated based on the amortized cost of each security (dollars in thousands). Interest on securities below excludes tax-equivalent adjustments.

	March 31, 2026									
	One Year or Less		One to Five Years		Five to Ten Years		After Ten Years		Total	
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield
Securities Available-for-Sale										
U.S. Treasuries and government agencies	$ —	— %	$ 158,733	1.34 %	$ —	— %	$ —	— %	$ 158,733	1.34 %
Obligations of states and municipalities	6,000	4.16	273,806	2.57	543,525	3.56	230,827	3.16	1,054,158	3.22
Residential mortgage backed - agency	—	—	25,872	4.66	26,284	2.72	7,852	4.27	60,008	3.76
Residential mortgage backed - non-agency	2,014	3.19	82,568	3.88	267,098	4.25	27,721	4.74	379,401	4.20
Commercial mortgage backed - agency	—	—	46,711	4.61	25,754	5.41	—	—	72,465	4.89
Commercial mortgage backed - non-agency	7,162	5.36	66,128	4.33	26,774	4.99	—	—	100,064	4.58
Asset-backed	2,610	5.23	33,268	4.94	14,854	4.69	—	—	50,732	4.88
Other	—	—	2,811	6.45	25,034	5.91	9,109	9.52	36,954	6.84
Total	$ 17,786	4.69 %	$ 689,897	2.96 %	$ 929,323	3.91 %	$ 275,509	3.56 %	$ 1,912,515	3.52 %

Lending Activities

Our loan portfolio consists primarily of commercial real estate loans, but we offer a variety of products to meet the credit needs of our borrowers. The risks associated with lending activities differ among loan classes and are subject to the impact of changes in interest rates, market conditions of collateral securing the loans, and general economic conditions. Any of these factors may adversely impact a borrower's ability to repay loans and also impact the associated collateral. Additional discussion on the classes of loans the Company makes and related risks is included in Note 3 — Loans in Notes to Consolidated Financial Statements.

The following tables set forth the composition of our loan portfolio as of the dates indicated (in thousands):

	March 31, 2026	December 31, 2025
Commercial real estate	$ 2,806,846	$ 2,769,287
Owner-occupied commercial real estate	579,365	593,120
Acquisition, construction & development	352,686	386,870
Commercial & industrial	504,229	461,921
Single family residential (1-4 units)	1,128,740	1,127,684
Consumer non-real estate and other	32,801	48,794
Loans, gross	5,404,667	5,387,676
Allowance for credit losses	(67,955)	(67,823)
Loans, net	$ 5,336,712	$ 5,319,853

The loan portfolio, excluding ACL, at March 31, 2026, increased by $17.0 million from December 31, 2025, primarily due to growth in the commercial real estate and commercial & industrial loan segments.

The following table shows the maturity distribution for total loans outstanding as of March 31, 2026. The maturity distribution is grouped by remaining scheduled principal payments that are due in the following periods. The principal balance of loans is indicated by both fixed and floating rate categories in the table below (in thousands).

	March 31, 2026								
	Within One Year		One Year to Five Years		Five Years to 15 Years		After 15 Years		
	Fixed Rates	Adjustable Rates	Fixed Rates	Adjustable Rates	Fixed Rates	Adjustable Rates	Fixed Rates	Adjustable Rates	Total
Loans:									
Commercial real estate	$ 286,860	$ 183,699	$ 1,037,733	$ 471,230	$ 221,911	$ 319,638	$ 2,159	$ 283,616	$ 2,806,846
Owner-occupied commercial real estate	17,824	6,824	148,444	38,085	94,326	171,213	10,367	92,282	579,365
Acquisition, construction & development	62,279	103,256	24,934	102,742	13,730	30,748	6,030	8,967	352,686
Commercial & industrial	14,230	207,295	116,265	84,891	28,772	32,322	16,941	3,513	504,229
Total commercial loans	381,193	501,074	1,327,376	696,948	358,739	553,921	35,497	388,378	4,243,126
Single family residential (1-4 units)	13,139	10,954	41,644	8,702	69,629	70,068	479,813	434,791	1,128,740
Consumer non-real estate and other	3,672	1,542	21,293	1,533	3,701	437	110	513	32,801
Total loans	$ 398,004	$ 513,570	$ 1,390,313	$ 707,183	$ 432,069	$ 624,426	$ 515,420	$ 823,682	$ 5,404,667

Asset Quality

The Company maintains policies and procedures to promote sound underwriting and mitigate credit risk. The Chief Credit Officer is responsible for establishing credit risk policies and procedures, including underwriting guidelines and credit approval authority, and monitoring credit exposure and performance of the Company's lending-related transactions. We regularly monitor the level of loan delinquencies and believe these levels are a key indicator of credit quality in our loan portfolio. We manage credit risk based on the risk profile of the borrower, repayment sources, underlying collateral, and other support given current events, economic conditions and expectations.

A loan is placed on non-accrual status when (i) the Company is advised by the borrower that scheduled principal or interest payments cannot be met, (ii) when management's best judgment indicates that payment in full of principal and interest can no longer be expected, or (iii) when any such loan or obligation becomes delinquent for 90 days, unless it is both well-secured and in the process of collection.

The Company's asset quality metrics remain within the Company's risk profile with adequate reserve coverage. The Company's nonaccrual loan balances increased by $3.7 million from December 31, 2025, while the Company's loans 90 days past due and still accruing increased $577.0 thousand from December 31, 2025. The Company's non-performing assets, which includes non-performing loans consisting of non-accrual loans, loans that are more than 90 days past due and still accruing, and other real estate owned as of March 31, 2026, totaled $81.7 million, an increase of $4.7 million from $76.9 million at December 31, 2025.

The following table summarizes the Company’s non-performing assets as of March 31, 2026, and December 31, 2025 (in thousands):

	March 31, 2026	December 31, 2025
Non-accrual loans	$ 74,359	$ 70,613
90 days past due and still accruing	4,200	3,623
Total non-performing loans	78,559	74,236
Other real estate owned	3,106	2,689
Total non-performing assets	$ 81,665	$ 76,925

Allowance for Credit Losses

Refer to the discussion in Note 1 — Nature of Business Activities and Significant Accounting Policies in Notes to Consolidated Financial Statements for management’s approach to estimating the ACL.

The Company maintains the ACL at a level deemed adequate by management for expected credit losses. The Company’s ACL is calculated quarterly with any adjustment recorded to the provision for credit losses in the Consolidated Statement of Income. Management evaluates the adequacy of the ACL utilizing a defined methodology to determine if it properly addresses the current and expected risks in the loan portfolio, which considers the performance of borrowers and specific evaluation of individually evaluated loans, including historical loss experiences, trends in delinquencies, non-performing loans and other risk assets, and qualitative factors. Risk factors are continuously reviewed and adjusted, as needed, by management when conditions support a change. Management believes its approach properly addresses relevant accounting and bank regulatory guidance for loans both collectively and individually evaluated.

The Company recorded a provision expense of $213.0 thousand and a provision of $900.0 thousand on loans for the three months ended March 31, 2026, and March 31, 2025, respectively.

Gross charged-off loans were $490.0 thousand and $1.4 million for the three months ended March 31, 2026, and March 31, 2025, respectively. Gross recoveries totaled $409.0 thousand and $237.0 thousand for the three months ended March 31, 2026, and March 31, 2025, respectively. The ACL as a percentage of gross loans, net of unearned income, was 1.26% and 1.20% as of March 31, 2026, and March 31, 2025, respectively.

The following table summarizes the changes in the Company's credit loss experience by portfolio for the three months ended March 31, 2026, and 2025 (dollars in thousands):

	Three months ended	
	March 31, 2026	**March 31, 2025**
Loans outstanding at end of period	$ 5,404,667	$ 5,647,507
Balance of allowance at beginning of period	(67,823)	(68,040)
Allowance established for acquired PCD Loans	—	—
Loans charged-off:		
Commercial real estate	—	—
Owner-occupied commercial real estate	65	687
Acquisition, construction & development	—	—
Commercial & industrial	—	93
Residential	65	33
Consumer non-real estate and other	360	611
Total loans charged-off	490	1,424
Recoveries of loans charged-off:		
Commercial real estate	(6)	(6)
Owner-occupied commercial real estate	—	—
Acquisition, construction & development	—	—
Commercial & industrial	(11)	(4)
Residential	(108)	(132)
Consumer non-real estate and other	(284)	(95)
Total recoveries of loans charged-off	(409)	(237)
Net loan charge-offs (recoveries)	81	1,187
Provision for (recapture of) credit losses for the period	213	900
Ending allowance	$ (67,955)	$ (67,753)
Average loans outstanding during the period	$ 5,383,870	$ 5,655,994
Allowance coverage ratio (1)	1.26 %	1.20 %
Net charge-offs to average outstanding loans during the period (2)	0.00	0.02
Allowance for credit losses as a percentage of non-performing loans (3)	86.50	104.63

(1) The allowance coverage ratio is calculated by dividing the ACL at the end of the period by gross loans, net of unearned income at the end of the period.

(2) The Net charge-offs to average outstanding loans during the period is calculated by dividing total net loan charge-offs (recoveries) during the year by average gross loans outstanding during the year.

(3) The Allowance for credit losses as a percentage of non-performing loans ratio is calculated by dividing the ACL at the end of the period by non-accrual loans and loans 90 days past due and still accruing at the end of the period.

The following table summarizes the ACL by portfolio with a comparison of the percentage composition in relation to total ACL and allowance for credit losses and total loans as of March 31, 2026, and December 31, 2025 (dollars in thousands).

	March 31, 2026		
	Allowance for credit losses	Percent of Allowance in Each Category to Total Allocated ACL	Percent of Loans in Each Category to Total Loans
Commercial real estate	$ 27,001	39.74 %	51.93 %
Owner-occupied commercial real estate	3,150	4.64	10.72
Acquisition, construction & development	16,773	24.68	6.53
Commercial & industrial	8,191	12.05	9.33
Residential	11,928	17.55	20.88
Consumer non-real estate and other	912	1.34	0.61
Total	$ 67,955	100.00 %	100.00 %

	December 31, 2025		
	Allowance for credit losses	Percent of Allowance in Each Category to Total Allocated Allowance	Percent of Loans in Each Category to Total Loans
Commercial real estate	$ 26,190	38.62 %	51.40 %
Owner-occupied commercial real estate	2,760	4.07	11.01
Acquisition, construction & development	17,221	25.39	7.18
Commercial & industrial	8,227	12.13	8.57
Residential	12,536	18.48	20.93
Consumer non-real estate and other	889	1.31	0.91
Total	$ 67,823	100.00 %	100.00 %

Derivative Financial Instruments

The Company utilizes interest rate swap agreements as part of its asset/liability management strategy to help manage its interest rate risk position. The Company recognizes derivative financial instruments at fair value as either other assets or accrued interest and other liabilities on the Consolidated Balance Sheets. The Company's use of derivative financial instruments is described more fully in Note 9 — Derivatives in Notes to Consolidated Financial Statements.

Off-Balance Sheet Arrangements

The Company enters into certain off-balance sheet arrangements in the normal course of business to meet the financing needs of its customers. These off-balance sheet arrangements include commitments to extend credit, standby letters of credit, and financial guarantees which would impact the Company's liquidity and capital resources to the extent customers accept and/or use these commitments. See Note 10 — Commitments and Contingencies in Notes to Consolidated Financial Statements for a discussion of credit extension commitments. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheet. With the exception of these off-balance sheet arrangements, the Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Funding Activities

The Company's funding activities are monitored and governed through the Company's asset/liability management process. Deposits are the primary source of funds for lending and investing activities; however, the Company will use borrowings to meet liquidity needs and for temporary funding. The Company has available secured lines of credit with the Federal Reserve Bank of Richmond, such as the Borrower-In-Custody program, the FHLB of Atlanta, and unsecured federal funds

lines of credit from correspondent banking relationships. The Company also utilizes brokered time deposits. For more discussion of brokered time deposits, see the Deposits heading below this section.

As of March 31, 2026, the Company has available unused borrowing capacity of $4.7 billion through its available lines of credit with the FHLB of Atlanta, the Federal Reserve Borrower-In-Custody Program line, and unsecured federal fund lines of credit from correspondent banking relationships. Advances on credit lines are secured by both securities and loans.

The following table shows certain information regarding short-term borrowings as of the three months ended March 31, 2026, and December 31, 2025, respectively (dollars in thousands):

Balance at end of period	**March 31, 2026**	**December 31, 2025**
Short-term borrowings	$ 525,000	$ 450,000
Weighted average interest yield	3.78%	3.90%

The following table shows certain information regarding long-term debt as of the three months ended March 31, 2026, and December 31, 2025, respectively (dollars in thousands):

Balance at end of period	**March 31, 2026**	**December 31, 2025**
Subordinated debentures, net	$ 71,510	$ 70,222
Subordinated debentures owed to unconsolidated subsidiary trusts	17,331	17,268
Total long-term debt	$ 88,841	$ 87,490
Weighted average interest yield	10.46%	9.85%

Deposits

Total deposits decreased by $71.7 million from December 31, 2025, to March 31, 2026, primarily due to a decrease in brokered deposits of $61.0 million. The Company's brokered time deposits amounted to $3.4 million as of March 31, 2026, and $64.4 million at December 31, 2025. All of the Company's brokered deposits are in the form of certificates of deposits that are insured by the FDIC. Excluding the brokered deposit balance, the total deposit balance decreased by $10.7 million from December 31, 2025 to March 31, 2026.

The following table sets forth the balance of each category of deposits as of the dates indicated (in thousands):

	March 31, 2026	**December 31, 2025**
	Balance	**Balance**
Demand, non-interest-bearing	$ 1,367,050	$ 1,336,380
Demand, interest-bearing	2,243,090	2,330,181
Money market and savings	1,701,707	1,665,304
Brokered deposits	3,431	64,410
Time deposits, other	1,016,987	1,007,666
Total interest-bearing	4,965,215	5,067,561
Total deposits	$ 6,332,265	$ 6,403,941

The Company continues to seek organic growth in both interest-bearing and non-interest-bearing deposits consistent with our relationship-based strategy. Management evaluates its utilization of brokered deposits, taking into consideration the interest rate curve and regulatory views on non-core funding sources, and balances this funding source with its funding needs based on growth initiatives.

The Company has deposits that meet or exceed the FDIC insurance limit of $250,000 in the amounts of $2.1 billion and $2.1 billion at March 31, 2026, and December 31, 2025, respectively. The Company does not have material deposit concentration risk to any significant market, industry or individual at March 31, 2026 or December 31, 2025.

The following table sets forth maturity ranges of time deposits as of March 31, 2026, that meet or exceed the FDIC insurance limit (in thousands).

	March 31, 2026	
Due within 3 months or less	$	120,826
Due after 3 months and within 6 months		106,448
Due after 6 months and within 12 months		65,648
Due after 12 months		9,316
Total uninsured, time deposits	$	302,238

Shareholders' Equity

Total shareholders' equity at March 31, 2026, was $864.5 million, compared to $854.6 million at December 31, 2025. Shareholders' equity increased by $9.9 million mostly due to an increase in earnings since December 31, 2025. Accumulated other comprehensive loss increased by $10.0 million from December 31, 2025, to March 31, 2026, from $(59.0) million to $(69.0) million due to an increase in unrealized losses in our securities portfolio.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

Market risk is the risk of loss from adverse changes in market prices and rates. Our market risk arises primarily from interest rate risk inherent in lending, investment, and deposit-taking activities. To that end, management actively monitors and manages its interest rate risk exposure, and on at least a quarterly basis, in conjunction with the Company's Asset/Liability meetings, reports its findings to the ALCO and to the Board. From time to time, management may change the frequency of such testing or update certain inputs as a result of abnormal market conditions. Our profitability is affected by fluctuations in interest rates; a sudden and substantial change in interest rates may adversely impact our earnings to the extent that the interest rates borne by assets and liabilities do not change at the same speed, to the same extent, or on the same basis. We monitor the impact of changes in interest rates on net interest income using several tools.

Our primary objective in managing interest rate risk is to minimize the adverse impact of changes in interest rates on our net interest income and capital, while configuring our asset-liability structure to obtain the maximum yield-cost spread on that structure. We rely primarily on our asset-liability structure to control interest rate risk.

In addition, the Company's Asset/Liability policy provides for a subcommittee of the ALCO, comprised of executive and senior management that, upon the determination that abnormal market risks are occurring or may be forthcoming, will convene with the responsibility of making all decisions related to mitigation of potential negative impacts to the Company. This subcommittee acts as a clearinghouse for information on Company earnings, credit risk, lending and deposit activities, and liquidity management necessary for internal communications, including to the Board, and external communications.

Interest Rate Sensitivity

Interest rate risk is the risk to earnings and fair value arising from changes in market interest rates. Interest rate risk arises from timing differences in the repricing and maturities of interest-earning assets and interest-bearing liabilities (repricing risk), changes in the expected maturities of assets and liabilities arising from embedded options, such as borrowers' ability to prepay home mortgage loans at any time, depositors' ability to redeem certificates of deposit before maturity (option risk), changes in the shape of the yield curve, where interest rates increase or decrease in a non-parallel fashion (yield curve risk), and changes in spread relationships between different yield curves, such as U.S. Treasuries and SOFR (basis risk).

The rates on some interest-bearing financial instruments may adjust promptly with changes in market rates, while others adjust only periodically or are fixed for a predefined term. Such instances can cause a mismatch between the sensitivity and behavior of financial assets and liabilities. Interest rate fluctuations and economic factors, coupled with repricing mismatches and embedded options inherent in these financial assets and liabilities, may impact the Company's interest expense, interest income, and the value of certain financial assets and liabilities. Through the ALCO, we attempt to manage the balance sheet in a manner that increases the benefit or reduces the negative impacts from such events.

The overall impact of changes in interest rates, including, but not limited to, the impact to our net interest income and to our securities portfolio, can be enhanced or diluted depending on the variability of interest rates. From time to time, the Company may hedge its interest rate risk position, which can impact earnings. We generally do not hedge all of our interest rate risk, nor can we guarantee that any attempts to hedge some or all of our interest rate risk will be successful. See Note 9 - Derivatives in Notes to Consolidated Financial Statements for a discussion of our hedging activity.

The Company actively manages its interest rate sensitivity position. The objectives of interest rate risk management are to control exposure of net interest income to risks associated with interest rate movements and to achieve sustainable growth in net interest income. The ALCO, using policies and procedures approved by the Company's Board, is responsible for the management of the Company's interest rate sensitivity position. The Company manages interest rate sensitivity by changing the mix, pricing and re-pricing characteristics of its assets and liabilities, through the management of its investment portfolio, its offerings of loan and selected deposit terms, and through wholesale funding. Wholesale funding consists of, but is not limited to, borrowings with the FHLB, federal funds purchased, and brokered time deposits.

The Company uses several tools to manage its interest rate risk, including interest rate sensitivity analysis, or gap analysis, market value of portfolio equity analysis, interest rate simulations under various rate scenarios, and net interest margin reports. The results of these reports are compared to limits established by the Company's ALCO policies, and appropriate adjustments are made if the results are outside the established limits.

There are an infinite number of potential interest rate scenarios, each of which can be accompanied by differing economic/political/regulatory climates; can generate multiple differing behavior patterns by markets, borrowers, depositors, etc.; and, can last for varying degrees of time. Therefore, by definition, interest rate risk sensitivity cannot be predicted with certainty. Accordingly, the Company's interest rate risk measurement philosophy focuses on maintaining an appropriate balance between theoretical and practical scenarios; especially given the primary objective of the Company's overall asset/liability management process, which is to facilitate meaningful strategy development and implementation.

Therefore, we model a set of interest rate scenarios capturing the financial effects of a range of plausible rate scenarios; the collective impact of which will enable the Company to clearly understand the nature and extent of its sensitivity to interest rate changes. Doing so necessitates an assessment of rate changes over varying time horizons and of varying/sufficient degrees such that the impact of embedded options within the balance sheet are sufficiently examined.

The following tables demonstrate the annualized result of an interest rate simulation and the estimated effect that a parallel interest rate shift, or "shock", in the yield curve and subjective adjustments in deposit pricing might have on the Company's projected income over the next 12 months. This simulation assumes that there is no growth in interest-earning assets or interest-bearing liabilities over the next 12 months.

Change in Interest Rates (in Basis Points)	As of March 31, 2026 Percentage Change in Earnings	As of December 31, 2025 Percentage Change in Earnings
200	(3.7)%	(2.7)%
100	(1.5)	(1.0)
(100)	0.5	0.1
(200)	1.2	0.3
(300)	3.3	2.3

Economic Value of Equity Analysis ("EVE"). We analyze the sensitivity of our financial condition to changes in interest rates through our economic value of equity model. This analysis measures the difference between predicted changes in the fair value of our assets and predicted changes in the present value of our liabilities, assuming various changes in current interest rates. The table below represents an analysis of our interest rate risk as measured by the estimated changes in our economic value of equity, resulting from an instantaneous and sustained parallel shift in the yield curve at March 31, 2026, and December 31, 2025.

Change in Interest Rates (in Basis Points)	As of March 31, 2026 Percentage Change in EVE	As of December 31, 2025 Percentage Change in EVE
200	(9.4)%	(8.3)%
100	(4.4)	(3.8)
(100)	3.4	2.7
(200)	4.8	3.3
(300)	4.8	2.4

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of March 31, 2026. Based on their evaluation of the Company’s disclosure controls and procedures, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and regulations are designed and operating in an effective manner.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

Legal Proceedings

In the ordinary course of our operations, and from time to time, the Company and its subsidiary are parties to various legal claims, lawsuits, and proceedings incidental to the ordinary nature of the Company's business. Currently, we are not party to any material legal proceedings, and no such proceedings are, to management's knowledge, threatened against us. Although the ultimate outcome of any pending legal proceedings cannot be ascertained at this time, it is the opinion of management that the liabilities (if any) resulting from such legal proceedings will not have a material adverse effect on the Company's business, including its consolidated financial position, results of operations, or cash flows, or otherwise require disclosure under the federal securities laws.

Item 1A. Risk Factors

There have been no material changes in the risk factors that were disclosed in Item 1A, under the caption "Risk Factors" in our Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On April 25, 2025, the Company announced that its Board authorized a share repurchase program pursuant to which the Company may purchase up to $50.0 million of the Company's Common Stock in the open market or in privately negotiated transactions. The Company made no open market or private purchases for the three months ended March 31, 2026.

The following table provides information about the Company's purchases of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act for the periods indicated:

Period	Total number of shares purchased (1) (2)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (2)	Approximate dollar value of shares that may yet be purchased under the plans or programs (3)
January 1 - 31, 2026	3,743	$ 64.67	—	$ 50,000,000
February 1 - 28, 2026	—	—	—	50,000,000
March 1 - 31, 2026	104	61.97	—	50,000,000

(1) Shares purchased during the period that were transferred to the Company from employees in satisfaction of minimum tax withholding obligations associated with the vesting of restricted stock units during the period.

(2) No shares were purchased by the Company under any share repurchase program during the quarter ended March 31, 2026.

(3) The Company's share repurchase program was authorized on April 25, 2025.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

(c) Insider Trading Arrangements

During the three months ended March 31, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

Item 6. Exhibits

Exhibit No.	Description
2.1*	Agreement and Plan of Merger between Burke & Herbert Financial Services Corp. and LINKBANCORP, Inc. (incorporated by reference to Exhibit 2.1 to the Form 8-K, filed December 18, 2025)
3.1*	Articles of Incorporation Burke & Herbert Financial Services Corp. as amended (incorporated by reference to Exhibit 3.1 of the Registrant’s Form 10-Q filed August 13, 2024)
3.2*	Bylaws of Burke & Herbert Financial Services Corp. as amended (incorporated by reference to Exhibit 3.1 to the Form 8-K, filed May 1, 2026)
10.1#	Employment Agreement dated August 24, 2023 by and between Burke & Herbert Bank & Trust Company and Bradford Ritchie.
10.2#	Employment Agreement dated August 24, 2023 by and between Burke & Herbert Bank & Trust Company and Robert S. Tissue.
10.3*	Executive Salary Continuation Agreement dated January 1, 2008 and effective January 1, 2005 by and between Summit Community Bank and H. Charles Maddy, III.
10.4*	Executive Salary Continuation Agreement dated February 23, 2012 by and between Summit Community Bank and Bradford E. Ritchie.
10.5*	Form of Executive Salary Continuation Agreement dated January 1, 2008 and effective January 1, 2005 by and between Summit Financial Group, Inc. and Robert S. Tissue.
10.6#	Burke & Herbert Financial Services Corp. 2019 Stock Incentive Plan Form of Restricted Stock Unit Award.
10.7#	Burke & Herbert Financial Services Corp. 2023 Stock Incentive Plan Form of Grant of Performance Restricted Stock Unit Awards.
31.1#	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2#	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1#	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101#	The following materials from the registrant’s Form 10-Q Report for the quarterly period ended March 31, 2026, formatted in Inline XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income (Loss), (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Changes in Shareholders’ Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements.
104#	The cover page of the registrant’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026, formatted in Inline XBRL (contained in Exhibit 101).

* Previously filed
\# Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 8, 2026

Burke & Herbert Financial Services Corp.

By:	/s/ David P. Boyle
Name:	David P. Boyle
Title:	Chairman of the Board and Chief Executive Officer
By:	/s/ Roy E. Halyama
Name:	Roy E. Halyama
Title:	Executive Vice President, Chief Financial Officer

Exhibit 10.1

Execution Version

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is dated as of August 24, 2023 (the "Signing Date") by and between Burke & Herbert Bank & Trust Company, a Virginia community bank (the "Bank"), and Bradford Ritchie ("Executive"). This Agreement collectively refers to the Bank and Executive as the "Parties," and separately may refer to any one of the Parties as a "Party."

WHEREAS, the Bank is the wholly-owned Virginia chartered commercial bank subsidiary of Burke & Herbert Financial Services Corp. (the "Company");

WHEREAS, on the Signing Date, the Company and Summit Financial Group, Inc., a West Virginia corporation ("Summit") entered into an Agreement and Plan of Reorganization (the "Merger Agreement") under which Summit will merge with and into the Company (the "Merger"), with the Company being the surviving corporation;

WHEREAS, Executive is presently the Executive Vice President of Summit and President of Summit Community Bank, the wholly owned West Virginia chartered commercial bank subsidiary of Summit ("Summit Community Bank"); and

WHEREAS, based on Executive's position as a key executive officer of Summit and as a material inducement for the Company to enter into the Merger Agreement, Executive and the Company have agreed that upon the consummation of the Merger, Executive shall become an employee of the Bank under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, upon the other terms and conditions hereinafter provided, and for the good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 **<u>Definitions</u>**

In addition to terms defined elsewhere in this Agreement, when used anywhere in this Agreement the following terms shall have the meaning set forth below.

(a) **"Bank Board"** shall mean the Board of Directors of the Bank.

(b) **"Bank Entities"** shall mean the Bank, the Company and any entity directly or indirectly controlling, controlled by, or under common control with the Bank or the Company.

(c) **"Change in Control"** shall mean (i) a change in the ownership of the Bank, (ii) a change in the effective control of the Bank, or (iii) a change in the ownership of a substantial portion of the assets of the Bank, in each instance as described below:

(i) A change in ownership occurs on the date that any one person, or more than one person acting as a group (as defined in Treasury regulation section 1.409A-3(i)(5)(v)(B)), acquires ownership of stock of the Bank that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of such corporation.

(ii) A change in the effective control of the Bank occurs on the date that either (A) any one person, or more than one person acting as a group (as defined in Treasury regulation section 1.409A-3(i)(5)(v)(B), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Bank possessing 30% or more of the total voting power of the stock of the Bank, excluding, solely for purposes of this Section 1.1(c)(ii), any such person or persons acting as a group who owns 30% or more of the total voting power of the stock of the Bank as of the Effective Date of this Agreement) or (B) a majority of the members of the Bank Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by a majority of the members of the Bank Board prior to the date of the appointment or election, provided that this sub-section (ii) is inapplicable where a majority shareholder of the Bank is another corporation.

(iii) A change in the ownership of a substantial portion of the Bank's assets occurs on the date that any one person or more than one person acting as a group (as defined in Treasury regulation section 1.409A-3(i)(5)(vii)(C)) acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets from the Bank that have a total gross fair market value equal to or more than 40% of the total gross fair market value of (A) all of the assets of the Bank, or (B) the value of the assets being disposed of, either of which is determined without regard to any liabilities associated with such assets.

For all purposes hereunder, no event shall be a Change in Control unless such event is also a "change in control event" within the meaning of Treasury regulation section 1.409A-3(i)(5).

Solely for purposes of this Section 1.1(c), references to the term "Bank" shall mean "the Bank or the Company."

(d) **"Code"** shall mean the Internal Revenue Code of 1986, as amended, and as interpreted through applicable rulings and regulations, in each case from time to time.

(e) **"Company Board"** shall mean the Board of Directors of the Company.

(f) **"Disability"** shall mean Executive's absence from performance of duties during the Employment Period for 180 days in any twelve-month period (exclusive of any FMLA leave taken by Executive) due to Executive's physical or mental illness. Evidence of such physical or mental illness shall be certified by a physician licensed to practice in the Commonwealth of Virginia or State of West Virginia mutually agreeable to both Parties. If there is no agreement on the selection of the physician, the Bank shall select on physician and Executive shall select on physician, and the two physicians shall attempt to mutually agree upon such physical or mental disability. If the two physicians cannot agree, then the two physicians shall jointly select a third physician, whose opinion on the determination of such physical or mental disability shall control.

(g) **"Employment Period**" shall mean Executive's employment during the Term and, if applicable, each Renewal Term hereunder.

(h) **"Good Reason"** shall mean any of the following events set forth in this definition of "Good Reason," each without Executive's prior consent:

(i) a material diminution in Executive's duties or responsibilities, including the failure to re-appoint Executive to the officer position set forth under Section 3.1, except in connection with Executive's death, Disability, termination for Just Cause (as hereinafter defined) or voluntary resignation other than for Good Reason;

(i) a reduction in Executive's Base Salary (except for any reduction that is part of an employee or executive-wide reduction in pay) as set forth in Section 4.1 ;

(ii) a material breach of this Agreement by the Bank; or

(iii) the relocation of Executive's principal place of employment to an office that is more than twenty-five (25) miles from the office location described in Section 7.1 of this Agreement, other than an office relocation that reduces the distance (measured in miles) of Executive's commute from his place of residence to the office.

For the avoidance of doubt, modifications in Executive's duties and responsibilities as a result of Executive's transition from his position at Summit to his position at the Bank following the Merger shall not give rise to "Good Reason." In addition, the timely delivery by the Bank of a Non-Renewal Notice to Executive shall not give rise to "Good Reason."

(j) "**Healthcare Coverage**" means coverage for Executive and Executive's tax-qualified dependents under the Bank's medical, dental and vision plans, based on the applicable plans and Executive's coverage elections in effect immediately prior to the Termination Date.

(k) **"Just Cause"** shall mean Executive's:

(i) willful act or omission that, in the judgment of the Bank Board, has caused or will likely cause substantial economic damage to the Bank or substantial injury to the business reputation of the Bank;

(ii) act or acts of dishonesty or fraud intended to result in enrichment or advantage to Executive or a third party at the expense of the Bank or through the use of assets of the Bank (including proprietary or confidential information);

(iii) willful failure (other than due to physical or mental incapacity) to carry out Executive's duties and responsibilities to the Bank, including any reasonable directions from the Bank Board or Company Board, within the standards of performance which could reasonably be expected of an executive working for a banking institution in a similar position, if such willful failure continues for forty-five (45) days or more after written notice of such failure is provided to Executive by the Bank;

(iv) willful failure or refusal (A) to comply with any material term or provision of this Agreement, (B) to adhere to the material terms of such employment-related policies or procedures as have been or may be established by the Bank, or (C) to execute and comply with the material terms of such instruments as may reasonably be requested by the Bank consistent with the foregoing clauses (A) and (B), including, without limitation, the Bank's rules and policies with respect to conduct and ethics;

(v) conviction or entry of a plea of guilty or nolo contendere or entry into a pretrial diversion program or similar program relating to a felony or any crime involving moral turpitude;

(vi) being subject to an order of a federal or state regulatory agency or a court of competent jurisdiction requiring the termination of Executive's employment with the Bank, unless Executive has appealed such order and such appeal is pending;

(vii) abuse of alcohol or any controlled substance in a manner that materially negatively affects Executive's performance or abilities at the Bank, whether or not such activity constitutes a crime; or

(viii) prohibition from employment with an FDIC-insured institution under

applicable federal law.

(l) **“Termination Date”** shall mean the date on which Executive’s service to the Bank under this Agreement terminates.

ARTICLE 2

EMPLOYMENT PERIOD

2.1 <u>Term of Agreement</u>

The effectiveness of this Agreement is conditional upon consummation of the Merger and subject to Executive’s continued employment with Summit until such time. In the event that the Merger Agreement is terminated pursuant to its terms, this Agreement will expire and shall have no further force and effect. Effective upon consummation of the Merger (the “Effective Date”), Executive shall be employed as Executive Vice President, Chief Lending Officer of the Bank, under the terms and conditions of this Agreement. The term of this Agreement (the “Term”) shall commence on the Effective Date and will continue thereafter for a period of three (3) years. Commencing on the third anniversary of the Effective Date, and on each anniversary date thereafter, the term of the Agreement will extend for a period of one year, with each additional year a “Renewal Term,” unless (a) the Bank provides Executive written notice of non-renewal (“Non-Renewal Notice”) at least ninety (90) days prior to an anniversary date, or (b) the Agreement is terminated pursuant to the termination provisions contained in ARTICLE 8 below. If a Non-Renewal Notice is timely delivered to Executive, this Agreement shall terminate at the end of the then-current Term or Renewal Term.

2.2 <u>Annual Performance Evaluation</u>

On a calendar year basis, the Bank shall conduct an annual performance evaluation of Executive, no later than ninety (90) days following each calendar year end, the results of which will be communicated to Executive.

2.3 <u>Continued Employment Following Termination of Employment Period</u>

Nothing in this Agreement shall mandate or prohibit a continuation of Executive’s employment following the expiration of the Employment Period.

ARTICLE 3

POSITION AND DUTIES

3.1 <u>Title; Responsibility</u>

Executive shall serve as the Executive Vice President, Chief Lending Officer of the Bank and shall perform such administrative and management services as customarily performed by persons in similar executive capacities and as may be reasonably assigned from time to time by the Chief Executive Officer or the Boards of Directors of the Bank and the Company, as applicable. Executive will report directly to the Chief Executive Officer of the Bank and the Company. During the Employment Period, Executive also agrees to serve, if elected, as an officer, director or trustee of any affiliate of the Bank and in such capacity to carry out the duties and responsibilities reasonably appropriate to any such position.

3.2 **Time Commitment**

Subject to Section 6.1, Executive shall devote his full business time and attention to the business and affairs of the Bank and shall use his best efforts to advance the interests of the Bank.

3.3 **Company Policies**

Executive shall comply with and agrees to be bound by the policies of the Bank Entities as in effect from time to time, including (without limitation) policies regarding ethics, personal conduct, stock ownership, securities trading, clawback and hedging and pledging of securities.

ARTICLE 4

ANNUAL COMPENSATION

4.1 **Annual Salary**

In consideration for the services performed by Executive under this Agreement, the Bank shall pay to Executive an annual salary ("Base Salary") of $410,000. The Base Salary will be paid by the Bank in approximately equal installments in accordance with the Bank's customary payroll practices. The Bank will review Executive's Base Salary at least annually and the Base Salary may be increased but may not be decreased (other than as part of an across the board program affecting all executives) without Executive's consent (any increase in Base Salary will become the new "Base Salary" for purposes of this Agreement).

4.2 **Incentive Compensation**

Executive shall be entitled to participate at a level determined by the Bank Board (or a committee thereof) in any annual incentive compensation or bonus plan as may be available from time to time to executive officers of the Bank, which participation shall be in accordance with the terms of such plans. Payment to Executive for any calendar year of incentive compensation or a bonus under such plans, if any, shall not be construed as an increase in Executive's Base Salary. Each annual cash bonus, if any, will be paid to Executive as a single lump sum cash payment (less required withholding) as soon as practicable after the last day of the applicable bonus period, but in no event later than March 15th of the calendar year following the year in which the last day of the performance period occurs.

4.3 **Equity Compensation**

Executive shall be entitled to participate in any equity or equity-based compensation plans that may be adopted by the Bank or the Company and, as necessary, approved by the Company's stockholders, from time to time, under which awards may be granted to senior officers or employees of the Bank, which participation shall be in accordance with the terms and provisions of such plans and at a level determined by, as applicable, the Bank Board or the Company Board, or a committee thereof.

4.4 **Merger Payment**

On the first regularly scheduled payroll date that occurs at least five (5) days after the Effective Date, the Bank will make a one-time special bonus payment to Executive of $695,500.

ARTICLE 5

EMPLOYEE BENEFITS

5.1 **Benefit Plans**

During the Employment Period, Executive will be an employee of the Bank and will be entitled to participate in benefit plans sponsored and maintained by the Bank and generally made available to employees and/or executives; provided, however, such participation shall be in accordance with the terms of the benefit plans and programs and, for purposes of this Section 5.1**,** the Bank may amend, terminate, modify or reduce benefits provided under such benefit plans and programs provided the changes apply to all similarly-situated participants on an equivalent basis.

5.2 **Paid Time Off**

Executive shall be entitled to not less than 30 days of paid time off ("PTO") each year during the Employment Period (inclusive of vacation time, sick leave and other personal leave), as well as holidays and certain other paid absences, in accordance with the Bank's policies and procedures for executive employees, including any transitional policies applicable to former Summit employees. All unused accrued PTO will be payable to Executive upon termination of employment.

5.3 **Company Car**

Executive shall be provided use of a company-owned automobile or, at the Company's election, paid a periodic automobile allowance.

ARTICLE 6

OUTSIDE ACTIVITIES AND BOARD MEMBERSHIPS

6.1 **Restrictions on Outside Activities and Board Memberships During Employment**

During the Employment Period, Executive shall not take any action to compete with the Bank Entities, and shall not: (i) directly or indirectly, provide services on behalf of any financial institution, any insurance company or agency, any mortgage or loan broker or any other entity or on behalf of any subsidiary or affiliate of any such entity engaged in the financial services industry, as an employee, consultant, independent contractor, agent, sole proprietor, partner, joint venturer, corporate officer or director; nor shall Executive acquire by reason of purchase during the Employment Period the ownership of more than 1% of the outstanding equity interest in any such entity; (ii) solicit, divert from the Bank Entities, or transact business with any customer of the Bank Entities, for the purpose of providing products or services that are the same as or substantially similar to, and competitive with, those provided by the Bank Entities; (iii) hire, assist others in hiring, or solicit for hire any employee of any of the Bank Entities, or encourage any such employee to terminate employment with any of the Bank Entities; or (iv) induce or attempt to induce any supplier, contractor, agent, representative or any other individual or entity that has a business relationship with any of the Bank Entities to discontinue, terminate, or reduce, the extent of such relationship with any Bank Entity, or to take any action that would disrupt or otherwise damage such relationship. Subject to the foregoing, and to Executive's right to continue to serve as a director or trustee of any business organization or entity as to which he was so serving on the Signing Date (as disclosed in writing to the Bank Board), Executive may serve on boards of directors of unaffiliated, for-profit or not-for-profit entities, subject to prior approval of the Bank Board. Except as specifically set forth herein, Executive may engage in personal business and investment activities, including real estate investments and personal investments in the stocks, securities and obligations of other financial institutions (or their

holding companies). Notwithstanding the foregoing, in no event shall Executive's outside activities, services, personal business and investments materially interfere with the performance of his duties under this Agreement.

ARTICLE 7

WORKING FACILITIES AND EXPENSES

7.1 **Working Facilities**

Executive's principal place of employment shall be, at his choice, either (a) 400 Washington Street E, Charleston, WV 25301, or (b) the Company's headquarters.

7.2 **Expenses**

The Bank shall reimburse Executive for his ordinary and necessary business expenses, incurred in connection with the performance of his duties under this Agreement, upon presentation to the Bank of an itemized account of such expenses in such form as the Bank may reasonably require. Any such expense shall be reimbursed as soon as practicable and no later than two and one-half months following the end of the year in which the expense was incurred, and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one year may not affect amounts reimbursable or provided in any subsequent year.

ARTICLE 8

TERMINATION OF EMPLOYMENT

If Executive's employment pursuant to this Agreement terminates before the end of the Term or a Renewal Term, then the rights and obligations of the Parties shall be determined hereunder. If Executive's employment pursuant to this Agreement terminates at the end of the Term or a Renewal Term and the Bank has provided Executive a Non-Renewal Notice at least ninety (90) days prior to the expiration of the then-current Term or Renewal Term, as the case may be, the sole amounts payable under this ARTICLE 8 shall be those Accrued Obligations (as defined in Section 8.1) and any Other Benefits (as defined in Section 8.7) to which he may be entitled.

8.1 **All Terminations**

In the event Executive's employment with the Bank terminates during the Employment Period for any reason and regardless as to whether or not Executive executes the Release as provided for in Section 8.9, the Bank shall pay Executive the sum of Executive's (a) earned but unpaid Base Salary within 65 days of the Termination Date or such sooner date as required by law, (b) any bonus earned for the prior calendar year under the Bank's Executive Variable Compensation Plan (or similar arrangement) that has not been paid as of the Termination Date no later than March 15th of the year in which the Termination Date occurs, (c) business expenses that have not been reimbursed by the Bank within 65 days of the Termination Date or such sooner date as required by law, and (d) any accrued and unpaid PTO if such amounts have not been paid as of the Termination Date, within 65 days of the Termination Date or such sooner date as required by law, (the "Accrued Obligations"); provided, that notwithstanding the foregoing, if Executive has made an irrevocable election under any deferred compensation arrangement subject to Section 409A of the Code to defer any portion of his compensation described in this clause, then for

purposes of this Section 8.1, such election shall remain effective and such portion shall not be considered as part of the "Accrued Obligations" but shall instead be an "Other Benefit" (as defined below).

8.2 **Termination for Just Cause**

The Bank Board may immediately terminate Executive's employment at any time for Just Cause. Executive shall not have the right to receive compensation or other benefits for any period after the Termination Date for Just Cause. For purposes of this section, no act, or failure to act, on Executive's part shall be considered "willful" unless he has acted, or failed to act, with an absence of good faith and without a reasonable belief that his action or failure to act was in the best interests of the Bank.

8.3 **Termination for Good Reason or Termination Without Just Cause**

(a) Termination for Good Reason or Termination Without Just Cause. Executive may voluntarily resign from employment with the Bank for Good Reason during the Employment Period, but only if Executive has, within ninety (90) days after the first incidence of the particular event, given the Bank written notice detailing the event alleged to constitute Good Reason and the Bank has not cured the event within thirty (30) days after receiving such notice from Executive (but the Bank may elect to waive such thirty (30) day period), and Executive has resigned within thirty (30) days thereafter. The Bank may terminate Executive's employment without Just Cause, provided that such termination of employment constitutes a "Separation from Service" within the meaning of Section 409A of the Code ("Section 409A") and the Treasury regulations promulgated thereunder. In the event Executive terminates employment with Good Reason or the Bank terminates Executive's employment without Just Cause, Executive will be entitled to the severance benefits set forth in Section 8.3(b); provided, however, that if the termination of employment occurs within two years after a Change in Control, the severance benefits will be determined as set forth in Section 8.5.

(b) Severance Pay. Upon Executive's termination of employment in accordance with Section 8.3(a), the Bank shall pay to Executive (or, in the event of Executive's death after the termination of employment has occurred in accordance with Section 8.3(a), the Bank shall pay to Executive's surviving spouse, beneficiary or estate) an amount equal to the following, subject to the Release Requirement (as defined below):

(i) the Accrued Obligations as set forth in Section 8.1;

(ii) the amount equal to the product of (A) two and (B) the sum of (I) Executive's Base Salary at the Termination Date and (II) a cash bonus equal to 40% multiplied by Executive's Base Salary at the Termination Date (the "Target Cash Bonus"); and

(iii) an amount equal to the product of (A) 100% of Executive's full total monthly premium (i.e. Executive's portion and the Bank's portion) for Executive's Healthcare Coverage, times (B) 12.

8.4 **Voluntary Resignation Without Good Reason**

Executive may voluntarily resign without Good Reason after giving sixty (60) days' prior written notice to the Bank provided, however, that the Bank may accelerate the Termination Date upon receipt of written notice of the Executive's resignation. If Executive terminates his employment without Good Reason, Executive will be entitled to no other payment or compensation of any kind except for the Accrued Obligations as set forth in Section 8.1 and any Other Benefits (as defined in Section 8.7) to which he may be entitled.

8.5 **Termination Due to a Change in Control**

If within the period ending two years after a Change in Control (a) the Bank terminates Executive's employment without Just Cause, or (b) Executive voluntarily terminates his employment for Good Reason, the Bank shall pay Executive an amount equal to the following, subject to the Release Requirement:

(i) the Accrued Obligations as set forth in Section 8.1; and

(ii) the amount equal to the product of (A) 2.99 and (B) the sum of (I) Executive's Base Salary at the Termination Date and (II) the Targeted Cash Bonus; and

(iii) an amount equal to the product of (A) 100% of Executive's full total monthly premium (i.e. Executive's portion and the Bank's portion) for Executive's Healthcare Coverage, times (B) 18.

8.6 **Termination due to Death or Disability**

In the case of a termination of Executive's employment due to death or Disability, Executive shall be entitled to the following from the Bank:

(a) benefits under any applicable short-term and/or long-term disability insurance

plan,

(b) the Accrued Obligations as set forth in Section 8.1, and

(c) an amount equal to the product of (i) the Target Cash Bonus, and (ii) a fraction, with the numerator equal to the number of days in the then current calendar year through the Termination Date and the denominator equal to 365.

8.7 **Other Benefits**

(a) If Executive receives payments and benefits pursuant to ARTICLE 8 of this Agreement, Executive shall not be entitled to any duplicative severance pay or duplicative benefits under any severance plan, program or policy of the Bank, unless otherwise specifically provided therein in a specific reference to this Agreement. To the extent not theretofore paid or provided, the Bank shall timely pay or provide to Executive any other amounts or benefits required to be paid or provided or that Executive is eligible to receive under any plan, program, policy, contract or agreement of the Bank (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms of the underlying plans or agreements.

(b) If Executive's employment terminates pursuant to Sections 8.3, 8.5 or 8.6, and unless otherwise provided in the applicable award agreement, subject to the Release Requirement, (i) any unvested restricted stock (or similar) awards subject to time-based vesting shall become fully and immediately vested, and to the extent that the award is exempt from Section 409A, shall then be paid, and (ii) any unvested performance stock (or similar) awards shall become fully and immediately vested based on actual performance as of the Termination Date, and if actual performance is not determinable, at target, and to the extent that the award is exempt from Section 409A, shall then be paid.

8.8 **Timing of Severance Payments**

The Accrued Obligations shall be paid in the time period set forth in Section 8.1 above, and the Other Benefits shall be paid in accordance with their terms. Any other cash payments pursuant to this ARTICLE 8 shall be made in a lump sum within sixty-five (65) days following the Termination Date less applicable withholding taxes. Such payments shall not be reduced in the event Executive obtains other employment following termination of employment with the Bank or following a Change in Control. Notwithstanding anything herein to the contrary, if Executive is a Specified Employee, as defined in Code Section 409A, and if any payment to be made under ARTICLE 8 or any other arrangement between Executive and the Bank Entities shall be determined to be subject to Code Section 409A, then to the extent required by Code Section 409A to avoid accelerated taxation and/or tax penalties thereunder, such payment shall be delayed and shall be paid on the first day of the seventh month following Executive's Separation from Service (within the meaning of Section 409A), or if earlier, upon Executive's death.

8.9 **Release Agreement**

Notwithstanding anything in this Agreement to the contrary, Executive will not receive any payments or benefits under this ARTICLE 8, other than those set forth in Section 8.6 and the Accrued Obligations and Other Benefits, unless and until Executive executes a general release of claims in a form prescribed by the Bank (the "Release") against the Bank Entities and any affiliate, and their officers, directors, successors and assigns, releasing said persons from any and all claims, rights, demands, causes of action, suits, arbitrations or grievances, including but not limited to those relating to the employment relationship, including claims under the Age Discrimination in Employment Act, but not including claims for benefits under tax-qualified plans or other benefit plans in which Executive is vested, claims which may not be released by applicable law or claims with respect to obligations set forth in this Agreement that survive the termination of this Agreement. The Release must be executed and become irrevocable by the 60th day following the Termination Date (the "Release Requirement"), provided that if the 60-day period spans two (2) calendar years, then, to the extent necessary to comply with Code Section 409A, the payments will be paid, or commence, in the second calendar year.

ARTICLE 9

COVENANTS AND OBLIGATIONS

9.1 **Restrictive Covenant Agreement**

In consideration of the payments and benefits provided hereunder, and as inducement for the Bank to enter into this Agreement, Executive must execute the Non-Disclosure and Restrictive Covenant Agreement attached as Exhibit A hereto (the "Restrictive Covenant Agreement") and comply therewith.

9.2 **Cooperation**

Executive shall, upon reasonable notice, furnish such information and assistance to the Bank, as may reasonably be required by the Bank, in connection with any litigation in which it or any of its subsidiaries or affiliates is, or may become, a party; provided, however, that Executive shall not be required to provide information or assistance with respect to any litigation between Executive and the Bank or any of its subsidiaries or affiliates. Any assistance under this Section 9.2 shall not unreasonably interfere with Executive's personal or business affairs. The Bank shall reimburse Executive for all reasonable out-of-pocket expenses incurred by Executive in fulfilling the obligations of this Section 9.2. To the extent Executive's cooperation is requested at any point following the Employment Period, the Bank will pay Executive a reasonable hourly or per diem fee (calculated based on Executive's most recent Base Salary under this Agreement) for Executive's services that exceed either two (2) hours in a calendar month or five (5) hours in a calendar year.

ARTICLE 10
GENERAL

10.1 **Regulatory Requirements**

(a) Notwithstanding anything herein contained to the contrary, any payments or other provision of benefits to Executive by the Bank, whether pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with Section 18(k) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1828(k), and the regulations promulgated thereunder in 12 C.F.R. Part 359.

(b) Notwithstanding any other provision in this Agreement, (i) the Bank may terminate or suspend this Agreement and the employment of Executive hereunder, as if such termination were a termination for Just Cause under Section 8.2 hereof, to the extent required by federal or state laws or regulations related to banking, to deposit insurance or bank holding companies or by regulations or orders issued by the Federal Deposit Insurance Corporation or the Virginia Bureau of Financial Institutions and (ii) no payment shall be required to be made to Executive under this Agreement to the extent such payment is prohibited by applicable law regulation or order issued by a banking agency or a court of competent jurisdiction; provided, that it shall be the Bank's burden to prove that any such action was so required.

10.2 **Arbitration; Legal Fees**

(a) In the event that any dispute should arise between the Parties as to the meaning, effect, performance, enforcement, or other issue in connection with this Agreement, which dispute cannot be resolved by the Parties, the dispute shall be decided by final and binding arbitration of a panel of three arbitrators. Proceedings in arbitration and its conduct shall be governed by the rules of the American Arbitration Association ("AAA") applicable to commercial arbitrations (the "Rules") except as modified by this Section. Executive shall appoint one arbitrator, the Bank shall appoint one arbitrator, and the third shall be appointed by the two arbitrators appointed by the Parties. The third arbitrator shall be impartial and shall serve as chairman of the panel. The Parties shall appoint their arbitrators within thirty (30) days after the demand for arbitration is served, failing which the AAA promptly shall appoint a defaulting Party's arbitrator, and the two arbitrators shall select the third arbitrator within fifteen (15) days after their appointment, or if they cannot agree or fail to so appoint, then the AAA promptly shall appoint the third arbitrator. The arbitrators shall render their decision in writing within thirty (30) days after the close of evidence or other termination of the proceedings by the panel, and the decision of a majority of the arbitrators shall be final and binding upon the Parties, nonappealable, except in accordance with the Rules and enforceable in accordance with the applicable state law. Any hearings in the arbitration shall be held in the City of Alexandria, Virginia, unless the Parties agree on a different venue, and shall be private and not open to the public. Each Party shall bear the fees and expenses of its arbitrator, counsel, and witnesses, and the fees and expenses of the third arbitrator shall be shared equally by the Parties. The other costs of the arbitration, including the fees of AAA, shall be borne as directed in the decision of the panel.

(b) Legal Fees and Other Expenses. If Executive is successful on the merits of the dispute, as determined in the arbitration, all legal fees and such other expenses as reasonably incurred by Executive as a result of or in connection with or arising out of the dispute, shall be paid by the Bank, provided that such payment or reimbursement is made by the Bank not later than two and one-half months after the end of the year in which such dispute is resolved in Executive's favor.

(c) For the avoidance of doubt, Section 10.2 shall not apply to any dispute arising between the Parties under the Restrictive Covenant Agreement. The dispute resolution provisions governing such agreement are set forth therein.

10.3 **Indemnification and Insurance**

The Bank shall provide Executive (including his heirs, executors and administrators) with coverage under a standard directors' and officers' liability insurance policy at its expense, and shall indemnify Executive (and his heirs, executors and administrators) to the fullest extent permitted under applicable law against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his having been an officer of the Bank (whether or not he continues to be an officer at the time of incurring such expenses or liabilities), such expenses and liabilities to include, but not be limited to, judgments, court costs and attorneys' fees and the cost of reasonable settlements (such settlements must be approved by the Bank Board); provided, however, that the Bank shall not be required to indemnify or reimburse Executive for legal expenses or liabilities incurred in connection with an action, suit or proceeding arising from any illegal or fraudulent act committed by Executive. Any such indemnification shall be made consistent with Section 18(k) of the Federal Deposit Insurance Act, 12 U.S.C.§1828(k), and the regulations issued thereunder in 12 C.F.R. Part 359.

10.4 **Notices**

The persons or addresses to which mailings or deliveries shall be made may change from time to time by notice given pursuant to the provisions of this Section 10.4. Any notice or other communication given pursuant to the provisions of this Section 10.4 shall be deemed to have been given (a) if sent by messenger, upon personal delivery to the Party to whom the notice is directed; (b) if sent by reputable overnight courier, one business day after delivery to such courier; (c) if sent by facsimile, upon electronic confirmation of receipt, (d) if sent by email, when transmitted to the appropriate email address, provided that no "error" message or other notification of non-delivery is generated, and (e) if sent by mail, three business days following deposit in the United States mail, properly addressed, postage prepaid, certified or registered mail with return receipt requested. All notices required or permitted to be given hereunder shall be addressed as follows:

If to Executive: At the last address (including email address) on file with the Bank

If to the Bank: Burke & Herbert Bank & Trust Company
100 South Fairfax Street
Alexandria, Virginia 22314
Attention: Corporate Secretary

10.5 **Amendment**

No modifications of this Agreement shall be valid unless made in writing and signed by the Parties hereto.

10.6 **Miscellaneous**

(a) Notice of Termination. Any termination of Executive's employment by the Bank shall be communicated in writing to Executive, and any voluntary termination of employment by Executive shall be communicated in writing to the Bank.

(b) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Executive, his legal representatives and estate and intestate distributees, and the Bank, its successors and assigns, including any successor by merger or consolidation or a statutory receiver or any other person or firm or corporation to which all or substantially all of the assets and business of the Bank may be sold or otherwise transferred. Any such successor of the Bank shall be deemed to have assumed this Agreement and to have become obligated hereunder to the same extent as the Bank, and Executive's obligations hereunder shall continue in favor of such successor.

(c) Severability. A determination that any provision of this Agreement is invalid or unenforceable shall not affect the validity or enforceability of any other provision hereof.

(d) Waiver. Failure to insist upon strict compliance with any terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition. A waiver of any provision of this Agreement must be made in writing, designated as a waiver, and signed by the Party against whom its enforcement is sought. Any waiver or relinquishment or any right or power hereunder at any one or more times shall not be deemed a waiver or relinquishment of such right or power at any other time or times.

(e) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

(f) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Virginia, without reference to conflicts of law principles, except to the extent governed by federal law in which case federal law shall govern.

(g) Headings and Construction. The headings of sections in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any Article or Section. Any reference to an Article or Section number shall refer to an Article or Section of this Agreement, unless otherwise specified.

(h) Entire Agreement. This instrument contains the entire agreement of the Parties relating to the subject matter hereof and supersedes in its entirety any and all prior agreements, understandings or representations relating to the subject matter hereof, including that certain amended and restated employment agreement made and entered into on December 26, 2008 by and among Summit, Summit Community Bank and Executive, as amended from time to time.

10.7 **Section 409A**

It is the intention of the Parties that the benefits and rights to which Executive could be entitled pursuant to this Agreement be exempt from or comply with Section 409A, and the provisions of this Agreement shall be construed in a manner consistent with that intent and the requirements for avoiding taxes or penalties under Section 409A. If either Party believes, at any time, that any such benefit or right that is subject to Section 409A does not so comply, it shall promptly advise the other Party and both Parties shall negotiate reasonably and in good faith to amend or clarify the terms of such benefits and rights such that they do not violate Section 409A (with the intent and effect of avoiding any adverse economic effect for Executive). No Party, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Agreement, and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Agreement on account of termination of Executive's employment shall be made unless and until Executive incurs a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a

"termination," "termination of employment," "separation from service" or like terms shall mean Separation from Service. For purposes of applying the provisions of Section 409A to this Agreement, each amount to be paid or benefit to be provided to Executive pursuant to this Agreement, and each individual installment in a series of payments, shall be construed as a separate identified payment for purposes of Section 409A, and any payments described in this Agreement that are due within the "short term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. To the extent they are subject to Section 409A, amounts reimbursable to Executive shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during one year may not affect amounts reimbursable or provided in any subsequent year.

Notwithstanding the foregoing, the Bank makes no guarantee as to the treatment of payments and benefits hereunder under Section 409A, and Executive shall be solely responsible for the payment of any taxes, penalties, interest or other expenses incurred by Executive on account of non-compliance with Section 409A.

10.8 **Tax Matters**

(a) Any provisions in plans or arrangements with Executive, including those put into effect by Summit or its affiliates, that provide for the cutback of payments or benefits to avoid treating such payments or benefits as an excess parachute payment, including without limitation Section 2.12 of that certain 2016 Salary Continuation Agreement, shall remain in full force and effect, and apply to payments or benefits in connection with the Merger and any subsequent change in control of the Bank Entities, to the extent applicable.

(b) After giving effect to Section 10.8(a), in the event the receipt of all payments, benefits or distributions in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code), whether paid or payable pursuant to this Agreement or otherwise (the "Change in Control Benefits") would subject Executive to an excise tax imposed by Code Sections 280G and 4999, then such payments and/or benefits (the "Payments") shall be reduced by the minimum amount necessary so that no portion of the Payments under this Agreement are non-deductible to the Bank pursuant to Code Section 280G and subject to the excise tax imposed under Code Section 4999 (the "Reduced Amount"). Any such reduction shall be implemented by determining the Parachute Payment Ratio (as defined below), as determined in good faith by the Bank, for each Payment and then reducing the Payments in order beginning with the Payment with the highest Parachute Payment Ratio. For any Payments with the same Parachute Payment Ratio, such Payments will be reduced based on the time of payment of such Payments, with the latest Payments reduced first. For payments with the same Parachute Ratio and the same time of payment, each such Payment will be reduced proportionately. For purposes hereof, the term "Parachute Payment Ratio" shall mean a fraction, (x) the numerator of which is the value of the applicable total Payments (as calculated for purposes of Code Section 280G) and (y) the denominator of which is the intrinsic (i.e., economic) value of the applicable total Payments. Notwithstanding the foregoing, the Payments will not be reduced if it is determined that without such reduction, the Change in Control Benefits received by Executive on a net after-tax basis (including without limitation, any reduction for excise taxes payable under Code Section 4999) is greater than the Change in Control Benefits that Executive would receive, on a net after-tax benefit, if Executive is paid the Reduced Amount under the Agreement.

(c) Unless otherwise agreed in writing by the Parties, all calculations with respect to Sections 280G and 4999 of the Code required under this Section 10.8 shall be determined by a nationally

recognized firm with appropriate expertise mutually agreeable to the Bank and Executive (the “Firm”) whose determination will be conclusive and binding on all Parties. The Bank shall pay all fees charged by

the Firm for this purpose. The Bank and Executive shall provide the Firm with all information or documents it reasonably requests, and the Firm will be entitled to rely on such information and on reasonable estimates and assumptions and interpretations of the provisions of Sections 280G and 4999 of the Code. If it is determined that the Payments should be reduced as a result of the Section 280G calculations performed by the Firm, the Bank shall promptly give (or cause the Firm to give) Executive notice to that effect and a copy of the detailed calculations thereof. All determinations made under this Section 10.8 shall be made as soon as reasonably practicable.

10.9 **Withholding**

The Bank Entities may withhold from any amounts payable under this Agreement required federal, state, local and foreign taxes.

10.10 **Advice of Counsel**

Executive acknowledges that he has had the opportunity to be represented by counsel in the negotiation of this Agreement and is fully aware of his rights and obligations under this Agreement. This Agreement is the product of informed negotiations between Executive and the Bank. If any part of this Agreement is deemed to be unclear or ambiguous, it shall be construed as if it were drafted jointly by all parties. Executive and the Bank agree that none of the parties was in a superior bargaining position regarding the substantive terms of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Bank and Executive have duly executed this Agreement as of the day and year first written above.

Bradford E. Ritchie

By: /s/ Bradford E. Ritchie
Bradford E. Ritchie

Burke & Herbert Bank & Trust Company

By: /s/ David P. Boyle
David P. Boyle
President & Chief Executive Officer

[*Signature page to Employment Agreement with Bradford E. Ritchie*]

Execution Version

EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”) is dated as of August 24, 2023 (the “Signing Date”) by and between Burke & Herbert Bank & Trust Company, a Virginia community bank (the “Bank”), and Robert S. Tissue (“Executive”). This Agreement collectively refers to the Bank and Executive as the “Parties,” and separately may refer to any one of the Parties as a “Party.”

WHEREAS, the Bank is the wholly-owned Virginia chartered commercial bank subsidiary of Burke & Herbert Financial Services Corp. (the “Company”);

WHEREAS, on the Signing Date, the Company and Summit Financial Group, Inc., a West Virginia corporation (“Summit”) entered into an Agreement and Plan of Reorganization (the “Merger Agreement”) under which Summit will merge with and into the Company (the “Merger”), with the Company being the surviving corporation;

WHEREAS, Executive is presently the Chief Financial Officer of Summit; and

WHEREAS, based on Executive’s position as a key executive officer of Summit and as a material inducement for the Company to enter into the Merger Agreement, Executive and the Company have agreed that upon the consummation of the Merger, Executive shall become an employee of the Bank under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, upon the other terms and conditions hereinafter provided, and for the good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 **Definitions**

In addition to terms defined elsewhere in this Agreement, when used anywhere in this Agreement the following terms shall have the meaning set forth below.

(a) **“Bank Board”** shall mean the Board of Directors of the Bank.

(b) **“Bank Entities”** shall mean the Bank, the Company and any entity directly or indirectly controlling, controlled by, or under common control with the Bank or the Company.

(c) **“Change in Control”** shall mean (i) a change in the ownership of the Bank, (ii) a change in the effective control of the Bank, or (iii) a change in the ownership of a substantial portion of the assets of the Bank, in each instance as described below:

(i) A change in ownership occurs on the date that any one person, or more than one person acting as a group (as defined in Treasury regulation section 1.409A-3(i)(5)(v)(B)), acquires ownership of stock of the Bank that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of such corporation.

(ii) A change in the effective control of the Bank occurs on the date that either (A) any one person, or more than one person acting as a group (as defined in Treasury regulation section 1.409A-3(i)(5)(v)(B), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Bank possessing 30% or more of the total voting power of the stock of the Bank, excluding, solely for purposes of this Section 1.1(c)(ii), any such person or persons acting as a group who owns 30% or more of the total voting power of the stock of the Bank as of the Effective Date of this Agreement) or (B) a majority of the members of the Bank Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by a majority of the members of the Bank Board prior to the date of the appointment or election, provided that this sub-section (ii) is inapplicable where a majority shareholder of the Bank is another corporation.

(iii) A change in the ownership of a substantial portion of the Bank's assets occurs on the date that any one person or more than one person acting as a group (as defined in Treasury regulation section 1.409A-3(i)(5)(vii)(C)) acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets from the Bank that have a total gross fair market value equal to or more than 40% of the total gross fair market value of (A) all of the assets of the Bank, or (B) the value of the assets being disposed of, either of which is determined without regard to any liabilities associated with such assets.

For all purposes hereunder, no event shall be a Change in Control unless such event is also a "change in control event" within the meaning of Treasury regulation section 1.409A-3(i)(5).

Solely for purposes of this Section 1.1(c), references to the term "Bank" shall mean "the Bank or the Company."

(d) **"Code"** shall mean the Internal Revenue Code of 1986, as amended, and as interpreted through applicable rulings and regulations, in each case from time to time.

(e) **"Company Board"** shall mean the Board of Directors of the Company.

(f) **"Disability"** shall mean Executive's absence from performance of duties during the Employment Period for 180 days in any twelve-month period (exclusive of any FMLA leave taken by Executive) due to Executive's physical or mental illness. Evidence of such physical or mental illness shall be certified by a physician licensed to practice in the Commonwealth of Virginia or State of West Virginia mutually agreeable to both Parties. If there is no agreement on the selection of the physician, the Bank shall select on physician and Executive shall select on physician, and the two physicians shall attempt to mutually agree upon such physical or mental disability. If the two physicians cannot agree, then the two physicians shall jointly select a third physician, whose opinion on the determination of such physical or mental disability shall control.

(g) **"Employment Period**" shall mean Executive's employment during the Term and, if applicable, each Renewal Term hereunder.

(h) **"Good Reason"** shall mean any of the following events set forth in this definition of "Good Reason," each without Executive's prior consent:

(i) a material diminution in Executive's duties or responsibilities, including the failure to re-appoint Executive to the officer position set forth under Section 3.1, except in connection with Executive's death, Disability, termination for Just Cause (as hereinafter defined) or voluntary resignation other than for Good Reason;

(i) a reduction in Executive's Base Salary (except for any reduction that is part of an employee or executive-wide reduction in pay) as set forth in Section 4.1 ;

(ii) a material breach of this Agreement by the Bank; or

(iii) the relocation of Executive's principal place of employment to an office that is more than twenty-five (25) miles from the office location described in Section 7.1 of this Agreement, other than an office relocation that reduces the distance (measured in miles) of Executive's commute from his place of residence to the office.

For the avoidance of doubt, modifications in Executive's duties and responsibilities as a result of Executive's transition from his position at Summit to his position at the Bank and the Company following the Merger shall not give rise to "Good Reason." In addition, the timely delivery by the Bank of a Non-Renewal Notice to Executive shall not give rise to "Good Reason."

(j) "**Healthcare Coverage**" means coverage for Executive and Executive's tax-qualified dependents under the Bank's medical, dental and vision plans, based on the applicable plans and Executive's coverage elections in effect immediately prior to the Termination Date.

(k) **"Just Cause"** shall mean Executive's:

(i) willful act or omission that, in the judgment of the Company Board, has caused or will likely cause substantial economic damage to the Bank or substantial injury to the business reputation of the Bank;

(ii) act or acts of dishonesty or fraud intended to result in enrichment or advantage to Executive or a third party at the expense of the Bank or through the use of assets of the Bank (including proprietary or confidential information);

(iii) willful failure (other than due to physical or mental incapacity) to carry out Executive's duties and responsibilities to the Bank, including any reasonable directions from the Bank Board or Company Board, within the standards of performance which could reasonably be expected of an executive working for a banking institution in a similar position, if such willful failure continues for forty-five (45) days or more after written notice of such failure is provided to Executive by the Bank;

(iv) willful failure or refusal (A) to comply with any material term or provision of this Agreement, (B) to adhere to the material terms of such employment-related policies or procedures as have been or may be established by the Bank, or (C) to execute and comply with the material terms of such instruments as may reasonably be requested by the Bank consistent with the foregoing clauses (A) and (B), including, without limitation, the Bank's rules and policies with respect to conduct and ethics;

(v) conviction or entry of a plea of guilty or nolo contendere or entry into a pretrial diversion program or similar program relating to a felony or any crime involving moral turpitude;

(vi) being subject to an order of a federal or state regulatory agency or a court of competent jurisdiction requiring the termination of Executive's employment with the Bank, unless Executive has appealed such order and such appeal is pending;

(vii) abuse of alcohol or any controlled substance in a manner that materially negatively affects Executive's performance or abilities at the Bank, whether or not such activity constitutes a crime; or

(viii) prohibition from employment with an FDIC-insured institution under applicable federal law.

(l) **"Termination Date"** shall mean the date on which Executive's service to the Bank under this Agreement terminates.

ARTICLE 2

EMPLOYMENT PERIOD

2.1 <u>Term of Agreement</u>

The effectiveness of this Agreement is conditional upon consummation of the Merger and subject to Executive's continued employment with Summit until such time. In the event that the Merger Agreement is terminated pursuant to its terms, this Agreement will expire and shall have no further force and effect. Effective upon consummation of the Merger (the "Effective Date"), Executive shall be employed as Executive Vice President, Financial Strategy of the Bank and the Company, under the terms and conditions of this Agreement. The term of this Agreement (the "Term") shall commence on the Effective Date and will continue thereafter for a period of three (3) years. Commencing on the third anniversary of the Effective Date, and on each anniversary date thereafter, the term of the Agreement will extend for a period of one year, with each additional year a "Renewal Term," unless (a) the Bank provides Executive written notice of non-renewal ("Non-Renewal Notice") at least ninety (90) days prior to an anniversary date, or (b) the Agreement is terminated pursuant to the termination provisions contained in ARTICLE 8 below. If a Non-Renewal Notice is timely delivered to Executive, this Agreement shall terminate at the end of the then-current Term or Renewal Term.

2.2 <u>Annual Performance Evaluation</u>

On a calendar year basis, the Bank shall conduct an annual performance evaluation of Executive, no later than ninety (90) days following each calendar year end, the results of which will be communicated to Executive.

2.3 <u>Continued Employment Following Termination of Employment Period</u>

Nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the Employment Period.

ARTICLE 3

POSITION AND DUTIES

3.1 <u>Title; Responsibility</u>

Executive shall serve as Executive Vice President, Financial Strategy of the Bank and the Company and shall perform such administrative and management services as customarily performed by persons in similar executive capacities and as may be reasonably assigned from time to time by the Chief

Executive Officer or the Boards of Directors of the Bank and the Company, as applicable. Executive will report directly to the Chief Executive Officer of the Bank and the Company. During the Employment Period, Executive also agrees to serve, if elected, as an officer, director or trustee of any affiliate of the Bank and the Company and in such capacity to carry out the duties and responsibilities reasonably appropriate to any such position.

3.2 **Time Commitment**

Subject to Section 6.1, Executive shall devote his full business time and attention to the business and affairs of the Bank and the Company and shall use his best efforts to advance the interests of the Bank and the Company.

3.3 **Company Policies**

Executive shall comply with and agrees to be bound by the policies of the Bank Entities as in effect from time to time, including (without limitation) policies regarding ethics, personal conduct, stock ownership, securities trading, clawback and hedging and pledging of securities.

ARTICLE 4

ANNUAL COMPENSATION

4.1 **Annual Salary**

In consideration for the services performed by Executive under this Agreement, the Bank shall pay to Executive an annual salary ("Base Salary") of $350,000. The Base Salary will be paid by the Bank in approximately equal installments in accordance with the Bank's customary payroll practices. The Bank will review Executive's Base Salary at least annually and the Base Salary may be increased but may not be decreased (other than as part of an across the board program affecting all executives) without Executive's consent (any increase in Base Salary will become the new "Base Salary" for purposes of this Agreement).

4.2 **Incentive Compensation**

Executive shall be entitled to participate at a level determined by the Company Board (or a committee thereof) in any annual incentive compensation or bonus plan as may be available from time to time to executive officers of the Bank, which participation shall be in accordance with the terms of such plans. Payment to Executive for any calendar year of incentive compensation or a bonus under such plans, if any, shall not be construed as an increase in Executive's Base Salary. Each annual cash bonus, if any, will be paid to Executive as a single lump sum cash payment (less required withholding) as soon as practicable after the last day of the applicable bonus period, but in no event later than March 15th of the calendar year following the year in which the last day of the performance period occurs.

4.3 **Equity Compensation**

Executive shall be entitled to participate in any equity or equity-based compensation plans that may be adopted by the Bank or the Company and, as necessary, approved by the Company's stockholders, from time to time, under which awards may be granted to senior officers or employees of the Bank or the Company, which participation shall be in accordance with the terms and provisions of such plans and at a level determined by the Company Board or a committee thereof.

4.4 **Additional Payments**

(a) On the first regularly scheduled payroll date that occurs at least five (5) days after the Effective Date, the Bank will make a one-time special bonus payment to Executive of $632,626.

(b) On the first regularly scheduled payroll date that occurs at least five (5) days after any Separation from Service (within the meaning of Section 409A of the Code), but subject to any payment delay required by Section 8.8(b) of this Agreement, the Bank will pay to Executive $379,575.

(c) Paragraph 17 ("Additional Payment by Summit") of that certain Amended and Restated Employment Agreement between Summit Financial Group, Inc. and Robert S. Tissue, made and entered into on December 24, 2008 and as amended from time to time (the "Summit Employment Agreement") is hereby incorporated by reference as though fully set forth herein, provided that it shall survive only with respect to the Merger and will not cover (or otherwise take into account) any amounts payable under Sections 8.3(b) or 8.5 of this Agreement. For the avoidance of doubt, Executive shall not be entitled to any excise tax gross-up payment with respect to any future change in control of any of the Bank Entities.

ARTICLE 5

EMPLOYEE BENEFITS

5.1 **Benefit Plans**

During the Employment Period, Executive will be an employee of the Bank and will be entitled to participate in benefit plans sponsored and maintained by the Bank and generally made available to employees and/or executives; provided, however, such participation shall be in accordance with the terms of the benefit plans and programs and, for purposes of this Section 5.1, the Bank may amend, terminate, modify or reduce benefits provided under such benefit plans and programs provided the changes apply to all similarly-situated participants on an equivalent basis.

5.2 **Paid Time Off**

Executive shall be entitled to not less than 30 days of paid time off ("PTO") each year during the Employment Period (inclusive of vacation time, sick leave and other personal leave), as well as holidays and certain other paid absences, in accordance with the Bank's policies and procedures for executive employees, including any transitional policies applicable to former Summit employees. All unused accrued PTO will be payable to Executive upon termination of employment.

5.3 **Company Car**

Executive shall be provided use of a company-owned automobile or, at the Company's election, paid a periodic automobile allowance.

ARTICLE 6

OUTSIDE ACTIVITIES AND BOARD MEMBERSHIPS

6.1 **Restrictions on Outside Activities and Board Memberships During Employment**

During the Employment Period, Executive shall not take any action to compete with the Bank Entities, and shall not: (i) directly or indirectly, provide services on behalf of any financial institution, any insurance company or agency, any mortgage or loan broker or any other entity or on behalf of any

subsidiary or affiliate of any such entity engaged in the financial services industry, as an employee, consultant, independent contractor, agent, sole proprietor, partner, joint venturer, corporate officer or director; nor shall Executive acquire by reason of purchase during the Employment Period the ownership of more than 1% of the outstanding equity interest in any such entity; (ii) solicit, divert from the Bank Entities, or transact business with any customer of the Bank Entities, for the purpose of providing products or services that are the same as or substantially similar to, and competitive with, those provided by the Bank Entities; (iii) hire, assist others in hiring, or solicit for hire any employee of any of the Bank Entities, or encourage any such employee to terminate employment with any of the Bank Entities; or (iv) induce or attempt to induce any supplier, contractor, agent, representative or any other individual or entity that has a business relationship with any of the Bank Entities to discontinue, terminate, or reduce, the extent of such relationship with any Bank Entity, or to take any action that would disrupt or otherwise damage such relationship. Subject to the foregoing, and to Executive's right to continue to serve as a director or trustee of any business organization or entity as to which he was so serving on the Signing Date (as disclosed in writing to the Company Board), Executive may serve on boards of directors of unaffiliated, for-profit or not-for-profit entities, subject to prior approval of the Company Board. Except as specifically set forth herein, Executive may engage in personal business and investment activities, including real estate investments and personal investments in the stocks, securities and obligations of other financial institutions (or their holding companies). Notwithstanding the foregoing, in no event shall Executive's outside activities, services, personal business and investments materially interfere with the performance of his duties under this Agreement.

ARTICLE 7

WORKING FACILITIES AND EXPENSES

7.1 **Working Facilities**

Executive's principal place of employment shall be, at his choice, either (a) 300 North Main Street, Moorefield, West Virginia, 26836, or (b) the Company's headquarters.

7.2 **Expenses**

The Bank shall reimburse Executive for his ordinary and necessary business expenses, incurred in connection with the performance of his duties under this Agreement, upon presentation to the Bank of an itemized account of such expenses in such form as the Bank may reasonably require. Any such expense shall be reimbursed as soon as practicable and no later than two and one-half months following the end of the year in which the expense was incurred, and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one year may not affect amounts reimbursable or provided in any subsequent year.

ARTICLE 8

TERMINATION OF EMPLOYMENT

If Executive's employment pursuant to this Agreement terminates before the end of the Term or a Renewal Term, then the rights and obligations of the Parties shall be determined hereunder. If Executive's employment pursuant to this Agreement terminates at the end of the Term or a Renewal Term and the Bank has provided Executive a Non-Renewal Notice at least ninety (90) days prior to the expiration of the then-current Term or Renewal Term, as the case may be, the sole amounts payable under this ARTICLE 8 shall be those Accrued Obligations (as defined in Section 8.1) and any Other Benefits (as defined in Section 8.7) to which he may be entitled.

8.1 **<u>All Terminations</u>**

In the event Executive's employment with the Bank terminates during the Employment Period for any reason and regardless as to whether or not Executive executes the Release as provided for in Section 8.9, the Bank shall pay Executive the sum of Executive's (a) earned but unpaid Base Salary within 65 days of the Termination Date or such sooner date as required by law, (b) any bonus earned for the prior calendar year under the Bank's Executive Variable Compensation Plan (or similar arrangement) that has not been paid as of the Termination Date no later than March 15th of the year in which the Termination Date occurs, (c) business expenses that have not been reimbursed by the Bank within 65 days of the Termination Date or such sooner date as required by law, (d) any accrued and unpaid PTO if such amounts have not been paid as of the Termination Date, within 65 days of the Termination Date or such sooner date as required by law, and (e) the payment described in Section 4.4(b) above, at the time therein specified (collectively, the "Accrued Obligations"); <u>provided</u>, that notwithstanding the foregoing, if Executive has made an irrevocable election under any deferred compensation arrangement subject to Section 409A of the Code to defer any portion of his compensation described in this clause, then for purposes of this Section 8.1, such election shall remain effective and such portion shall not be considered as part of the "Accrued Obligations" but shall instead be an "Other Benefit" (as defined below).

8.2 **<u>Termination for Just Cause</u>**

The Company Board may immediately terminate Executive's employment at any time for Just Cause. Executive shall not have the right to receive compensation or other benefits for any period after the Termination Date for Just Cause. For purposes of this section, no act, or failure to act, on Executive's part shall be considered "willful" unless he has acted, or failed to act, with an absence of good faith and without a reasonable belief that his action or failure to act was in the best interests of the Bank.

8.3 **<u>Termination for Good Reason or Termination Without Just Cause</u>**

(a) <u>Termination for Good Reason or Termination Without Just Cause</u>. Executive may voluntarily resign from employment with the Bank for Good Reason during the Employment Period, but only if Executive has, within ninety (90) days after the first incidence of the particular event, given the Bank written notice detailing the event alleged to constitute Good Reason and the Bank has not cured the event within thirty (30) days after receiving such notice from Executive (but the Bank may elect to waive such thirty (30) day period), and Executive has resigned within thirty (30) days thereafter. The Bank may terminate Executive's employment without Just Cause, provided that such termination of employment constitutes a "Separation from Service" within the meaning of Section 409A of the Code ("Section 409A") and the Treasury regulations promulgated thereunder. In the event Executive terminates employment with Good Reason or the Bank terminates Executive's employment without Just Cause, Executive will be entitled to the severance benefits set forth in Section 8.3(b); provided, however, that if the termination of employment occurs within two years after a Change in Control, the severance benefits will be determined as set forth in Section 8.5.

(b) <u>Severance Pay</u>. Upon Executive's termination of employment in accordance with Section 8.3(a), the Bank shall pay to Executive (or, in the event of Executive's death after the termination of employment has occurred in accordance with Section 8.3(a), the Bank shall pay to Executive's surviving spouse, beneficiary or estate) an amount equal to the following, subject to the Release Requirement (as defined below):

(i) the Accrued Obligations as set forth in Section 8.1;

(ii) the amount equal to the product of (A) two and (B) the sum of (I) Executive's Base Salary at the Termination Date and (II) a cash bonus equal to 40% multiplied by Executive's Base Salary at the Termination Date (the "Target Cash Bonus"); and

(iii) an amount equal to the product of (A) 100% of Executive's full total monthly premium (i.e. Executive's portion and the Bank's portion) for Executive's Healthcare Coverage, times (B) 12.

8.4 **<u>Voluntary Resignation Without Good Reason</u>**

Executive may voluntarily resign without Good Reason after giving sixty (60) days' prior written notice to the Bank provided, however, that the Bank may accelerate the Termination Date upon receipt of written notice of the Executive's resignation. If Executive terminates his employment without Good Reason, Executive will be entitled to no other payment or compensation of any kind except for the Accrued Obligations as set forth in Section 8.1 and any Other Benefits (as defined in Section 8.7) to which he may be entitled.

8.5 **<u>Termination Due to a Change in Control</u>**

If within the period ending two years after a Change in Control (a) the Bank terminates Executive's employment without Just Cause, or (b) Executive voluntarily terminates his employment for Good Reason, the Bank shall pay Executive an amount equal to the following, subject to the Release Requirement:

(a) the Accrued Obligations as set forth in Section 8.1; and

(b) the amount equal to the product of (A) 2.99 and (B) the sum of (I) Executive's Base Salary at the Termination Date and (II) the Targeted Cash Bonus; and

(c) an amount equal to the product of (A) 100% of Executive's full total monthly premium (i.e. Executive's portion and the Bank's portion) for Executive's Healthcare Coverage, times (B) 18.

8.6 **<u>Termination due to Death or Disability</u>**

In the case of a termination of Executive's employment due to death or Disability, Executive shall be entitled to the following from the Bank:

(a) benefits under any applicable short-term and/or long-term disability insurance

plan,

(b) the Accrued Obligations as set forth in Section 8.1, and

(c) an amount equal to the product of (i) the Target Cash Bonus, and (ii) a fraction, with the numerator equal to the number of days in the then current calendar year through the Termination Date and the denominator equal to 365.

8.7 **<u>Other Benefits</u>**

(a) If Executive receives payments and benefits pursuant to ARTICLE 8 of this Agreement, Executive shall not be entitled to any duplicative severance pay or duplicative benefits under any severance plan, program or policy of the Bank, unless otherwise specifically provided therein in a specific reference to this Agreement. To the extent not theretofore paid or provided, the Bank shall timely pay or provide to Executive any other amounts or benefits required to be paid or provided or that Executive is eligible to receive under any plan, program, policy, contract or agreement of the Bank (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms of the underlying plans or agreements.

(b) If Executive's employment terminates pursuant to Sections 8.3, 8.5 or 8.6, and unless otherwise provided in the applicable award agreement, subject to the Release Requirement, (i) any unvested restricted stock (or similar) awards subject to time-based vesting shall become fully and immediately vested, and to the extent that the award is exempt from Section 409A, shall then be paid, and (ii) any unvested performance stock (or similar) awards shall become fully and immediately vested based on actual performance as of the Termination Date, and if actual performance is not determinable, at target, and to the extent that the award is exempt from Section 409A, shall then be paid.

8.8 **Timing of Severance Payments**

(a) The Accrued Obligations shall be paid in the time period set forth in Section 8.1 above, and the Other Benefits shall be paid in accordance with their terms. Any other cash payments pursuant to this ARTICLE 8 shall be made in a lump sum within sixty-five (65) days following the Termination Date less applicable withholding taxes. Such payments shall not be reduced in the event Executive obtains other employment following termination of employment with the Bank or following a Change in Control.

(b) Notwithstanding anything herein to the contrary, if Executive is a Specified Employee, as defined in Code Section 409A, and if any payment to be made under ARTICLE 8 or any other arrangement between Executive and the Bank Entities shall be determined to be subject to Code Section 409A, then to the extent required by Code Section 409A to avoid accelerated taxation and/or tax penalties thereunder, such payment shall be delayed and shall be paid on the first day of the seventh month following Executive's Separation from Service (within the meaning of Section 409A), or if earlier upon Executive's death.

8.9 **Release Agreement**

Notwithstanding anything in this Agreement to the contrary, Executive will not receive any payments or benefits under this ARTICLE 8, other than those set forth in Section 8.6 and the Accrued Obligations and Other Benefits, unless and until Executive executes a general release of claims in a form prescribed by the Bank (the "Release") against the Bank Entities and any affiliate, and their officers, directors, successors and assigns, releasing said persons from any and all claims, rights, demands, causes of action, suits, arbitrations or grievances, including but not limited to those relating to the employment relationship, including claims under the Age Discrimination in Employment Act, but not including claims for benefits under tax-qualified plans or other benefit plans in which Executive is vested, claims which may not be released by applicable law or claims with respect to obligations set forth in this Agreement that survive the termination of this Agreement. The Release must be executed and become irrevocable by the 60th day following the Termination Date (the "Release Requirement"), provided that if the 60-day period spans two (2) calendar years, then, to the extent necessary to comply with Code Section 409A, the payments will be paid, or commence, in the second calendar year.

ARTICLE 9

COVENANTS AND OBLIGATIONS

9.1 **Restrictive Covenant Agreement**

In consideration of the payments and benefits provided hereunder, and as inducement for the Bank to enter into this Agreement, Executive must execute the Non-Disclosure and Restrictive Covenant Agreement attached as Exhibit A hereto (the "Restrictive Covenant Agreement") and comply therewith.

9.2 **Cooperation**

Executive shall, upon reasonable notice, furnish such information and assistance to the Bank, as may reasonably be required by the Bank, in connection with any litigation in which it or any of its subsidiaries or affiliates is, or may become, a party; provided, however, that Executive shall not be required to provide information or assistance with respect to any litigation between Executive and the Bank or any of its subsidiaries or affiliates. Any assistance under this Section 9.2 shall not unreasonably interfere with Executive's personal or business affairs. The Bank shall reimburse Executive for all reasonable out-of-pocket expenses incurred by Executive in fulfilling the obligations of this Section 9.2. To the extent Executive's cooperation is requested at any point following the Employment Period, the Bank will pay Executive a reasonable hourly or per diem fee (calculated based on Executive's most recent Base Salary under this Agreement) for Executive's services that exceed either two (2) hours in a calendar month or five (5) hours in a calendar year.

ARTICLE 10
GENERAL

10.1 **Regulatory Requirements**

(a) Notwithstanding anything herein contained to the contrary, any payments or other provision of benefits to Executive by the Bank, whether pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with Section 18(k) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1828(k), and the regulations promulgated thereunder in 12 C.F.R. Part 359.

(b) Notwithstanding any other provision in this Agreement, (i) the Bank may terminate or suspend this Agreement and the employment of Executive hereunder, as if such termination were a termination for Just Cause under Section 8.2 hereof, to the extent required by federal or state laws or regulations related to banking, to deposit insurance or bank holding companies or by regulations or orders issued by the Federal Deposit Insurance Corporation or the Virginia Bureau of Financial Institutions and (ii) no payment shall be required to be made to Executive under this Agreement to the extent such payment is prohibited by applicable law regulation or order issued by a banking agency or a court of competent jurisdiction; provided, that it shall be the Bank's burden to prove that any such action was so required.

10.2 **Arbitration; Legal Fees**

(a) In the event that any dispute should arise between the Parties as to the meaning, effect, performance, enforcement, or other issue in connection with this Agreement, which dispute cannot be resolved by the Parties, the dispute shall be decided by final and binding arbitration of a panel of three arbitrators. Proceedings in arbitration and its conduct shall be governed by the rules of the American Arbitration Association ("AAA") applicable to commercial arbitrations (the "Rules") except as modified by this Section. Executive shall appoint one arbitrator, the Bank shall appoint one arbitrator, and the third shall be appointed by the two arbitrators appointed by the Parties. The third arbitrator shall be impartial

and shall serve as chairman of the panel. The Parties shall appoint their arbitrators within thirty (30) days after the demand for arbitration is served, failing which the AAA promptly shall appoint a defaulting Party's arbitrator, and the two arbitrators shall select the third arbitrator within fifteen (15) days after their appointment, or if they cannot agree or fail to so appoint, then the AAA promptly shall appoint the third arbitrator. The arbitrators shall render their decision in writing within thirty (30) days after the close of evidence or other termination of the proceedings by the panel, and the decision of a majority of the arbitrators shall be final and binding upon the Parties, nonappealable, except in accordance with the Rules and enforceable in accordance with the applicable state law. Any hearings in the arbitration shall be held in the City of Alexandria, Virginia, unless the Parties agree on a different venue, and shall be private and not open to the public. Each Party shall bear the fees and expenses of its arbitrator, counsel, and witnesses, and the fees and expenses of the third arbitrator shall be shared equally by the Parties. The other costs of the arbitration, including the fees of AAA, shall be borne as directed in the decision of the panel.

(b) Legal Fees and Other Expenses. If Executive is successful on the merits of the dispute, as determined in the arbitration, all legal fees and such other expenses as reasonably incurred by Executive as a result of or in connection with or arising out of the dispute, shall be paid by the Bank, provided that such payment or reimbursement is made by the Bank not later than two and one-half months after the end of the year in which such dispute is resolved in Executive's favor.

(c) For the avoidance of doubt, Section 10.2 shall not apply to any dispute arising between the Parties under the Restrictive Covenant Agreement. The dispute resolution provisions governing such agreement are set forth therein.

10.3 **Indemnification and Insurance**

The Bank shall provide Executive (including his heirs, executors and administrators) with coverage under a standard directors' and officers' liability insurance policy at its expense, and shall indemnify Executive (and his heirs, executors and administrators) to the fullest extent permitted under applicable law against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his having been an officer of the Bank (whether or not he continues to be an officer at the time of incurring such expenses or liabilities), such expenses and liabilities to include, but not be limited to, judgments, court costs and attorneys' fees and the cost of reasonable settlements (such settlements must be approved by the Company Board); provided, however, that the Bank shall not be required to indemnify or reimburse Executive for legal expenses or liabilities incurred in connection with an action, suit or proceeding arising from any illegal or fraudulent act committed by Executive. Any such indemnification shall be made consistent with Section 18(k) of the Federal Deposit Insurance Act, 12 U.S.C.§1828(k), and the regulations issued thereunder in 12 C.F.R. Part 359.

10.4 **Notices**

The persons or addresses to which mailings or deliveries shall be made may change from time to time by notice given pursuant to the provisions of this Section 10.4. Any notice or other communication given pursuant to the provisions of this Section 10.4 shall be deemed to have been given (a) if sent by messenger, upon personal delivery to the Party to whom the notice is directed; (b) if sent by reputable overnight courier, one business day after delivery to such courier; (c) if sent by facsimile, upon electronic confirmation of receipt, (d) if sent by email, when transmitted to the appropriate email address, provided that no "error" message or other notification of non-delivery is generated, and (e) if sent by mail, three business days following deposit in the United States mail, properly addressed, postage prepaid, certified or

registered mail with return receipt requested. All notices required or permitted to be given hereunder shall be addressed as follows:

If to Executive: At the last address (including email address) on file with the Bank

If to the Bank: Burke & Herbert Bank & Trust Company
100 South Fairfax Street
Alexandria, Virginia 22314
Attention: Corporate Secretary

10.5 **Amendment**

No modifications of this Agreement shall be valid unless made in writing and signed by the Parties hereto.

10.6 **Miscellaneous**

(a) Notice of Termination. Any termination of Executive's employment by the Bank shall be communicated in writing to Executive, and any voluntary termination of employment by Executive shall be communicated in writing to the Bank.

(b) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Executive, his legal representatives and estate and intestate distributees, and the Bank, its successors and assigns, including any successor by merger or consolidation or a statutory receiver or any other person or firm or corporation to which all or substantially all of the assets and business of the Bank may be sold or otherwise transferred. Any such successor of the Bank shall be deemed to have assumed this Agreement and to have become obligated hereunder to the same extent as the Bank, and Executive's obligations hereunder shall continue in favor of such successor.

(c) Severability. A determination that any provision of this Agreement is invalid or unenforceable shall not affect the validity or enforceability of any other provision hereof.

(d) Waiver. Failure to insist upon strict compliance with any terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition. A waiver of any provision of this Agreement must be made in writing, designated as a waiver, and signed by the Party against whom its enforcement is sought. Any waiver or relinquishment or any right or power hereunder at any one or more times shall not be deemed a waiver or relinquishment of such right or power at any other time or times.

(e) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

(f) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Virginia, without reference to conflicts of law principles, except to the extent governed by federal law in which case federal law shall govern.

(g) Headings and Construction. The headings of sections in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any Article or Section. Any reference to an Article or Section number shall refer to an Article or Section of this Agreement, unless otherwise specified.

(h) Entire Agreement. This instrument contains the entire agreement of the Parties relating to the subject matter hereof and supersedes in its entirety any and all prior agreements, understandings or representations relating to the subject matter hereof, including the Summit Employment Agreement.

10.7 **Section 409A**

It is the intention of the Parties that the benefits and rights to which Executive could be entitled pursuant to this Agreement be exempt from or comply with Section 409A, and the provisions of this Agreement shall be construed in a manner consistent with that intent and the requirements for avoiding taxes or penalties under Section 409A. If either Party believes, at any time, that any such benefit or right that is subject to Section 409A does not so comply, it shall promptly advise the other Party and both Parties shall negotiate reasonably and in good faith to amend or clarify the terms of such benefits and rights such that they do not violate Section 409A (with the intent and effect of avoiding any adverse economic effect for Executive). No Party, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Agreement, and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Agreement on account of termination of Executive's employment shall be made unless and until Executive incurs a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "separation from service" or like terms shall mean Separation from Service. For purposes of applying the provisions of Section 409A to this Agreement, each amount to be paid or benefit to be provided to Executive pursuant to this Agreement, and each individual installment in a series of payments, shall be construed as a separate identified payment for purposes of Section 409A, and any payments described in this Agreement that are due within the "short term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. To the extent they are subject to Section 409A, amounts reimbursable to Executive shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during one year may not affect amounts reimbursable or provided in any subsequent year.

Notwithstanding the foregoing, the Bank makes no guarantee as to the treatment of payments and benefits hereunder under Section 409A, and Executive shall be solely responsible for the payment of any taxes, penalties, interest or other expenses incurred by Executive on account of non-compliance with Section 409A.

10.8 **Tax Matters**

(a) Subject to Section 4.4(c) hereto, in the event the receipt of all payments, benefits or distributions in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code), whether paid or payable pursuant to this Agreement or otherwise (the "Change in Control Benefits") would subject Executive to an excise tax imposed by Code Sections 280G and 4999, then such payments and/or benefits (the "Payments") shall be reduced by the minimum amount necessary so that no portion of the Payments under this Agreement are non-deductible to the Bank pursuant to Code Section 280G and subject to the excise tax imposed under Code Section 4999 (the "Reduced Amount"). Any such reduction shall be implemented by determining the Parachute Payment Ratio (as defined below), as determined in good faith by the Bank, for each Payment and then reducing the Payments in order beginning with the Payment with the highest Parachute Payment Ratio. For any Payments with the same Parachute Payment

Ratio, such Payments will be reduced based on the time of payment of such Payments, with the latest Payments reduced first. For payments with the same Parachute Ratio and the same time of payment, each such Payment will be reduced proportionately. For purposes hereof, the term "Parachute Payment Ratio" shall mean a fraction, (x) the numerator of which is the value of the applicable total Payments (as calculated for purposes of Code Section 280G) and (y) the denominator of which is the intrinsic (i.e., economic) value of the applicable total Payments. Notwithstanding the foregoing, the Payments will not be reduced if it is determined that without such reduction, the Change in Control Benefits received by Executive on a net after-tax basis (including without limitation, any reduction for excise taxes payable under Code Section 4999) is greater than the Change in Control Benefits that Executive would receive, on a net after-tax benefit, if Executive is paid the Reduced Amount under the Agreement.

(b) Unless otherwise agreed in writing by the Parties, all calculations with respect to Sections 280G and 4999 of the Code required under this Section 10.8 shall be determined by a nationally recognized firm with appropriate expertise mutually agreeable to the Bank and Executive (the "Firm") whose determination will be conclusive and binding on all Parties. The Bank shall pay all fees charged by the Firm for this purpose. The Bank and Executive shall provide the Firm with all information or documents it reasonably requests, and the Firm will be entitled to rely on such information and on reasonable estimates and assumptions and interpretations of the provisions of Sections 280G and 4999 of the Code. If it is determined that the Payments should be reduced as a result of the Section 280G calculations performed by the Firm, the Bank shall promptly give (or cause the Firm to give) Executive notice to that effect and a copy of the detailed calculations thereof. All determinations made under this Section 10.8 shall be made as soon as reasonably practicable.

10.9 **Withholding**

The Bank Entities may withhold from any amounts payable under this Agreement required federal, state, local and foreign taxes.

10.10 **Advice of Counsel**

Executive acknowledges that he has had the opportunity to be represented by counsel in the negotiation of this Agreement and is fully aware of his rights and obligations under this Agreement. This Agreement is the product of informed negotiations between Executive and the Bank. If any part of this Agreement is deemed to be unclear or ambiguous, it shall be construed as if it were drafted jointly by all parties. Executive and the Bank agree that none of the parties was in a superior bargaining position regarding the substantive terms of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Bank and Executive have duly executed this Agreement as of the day and year first written above.

Bradford E. Ritchie

By: /s/ Robert S. Tissue
Robert S. Tissue

Burke & Herbert Bank & Trust Company

By: /s/ David P. Boyle
David P. Boyle
President & Chief Executive Officer

[Signature page to Employment Agreement with Robert S. Tissue]

Exhibit 10.6

BURKE & HERBERT FINANCIAL SERVICES CORP.

2019 STOCK INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Grantee's Name and Address:

—

—

You (the "Grantee") have been granted an award of Restricted Stock Units (the "Award"), subject to the terms and conditions of this Notice of Restricted Stock Unit Award (the "Notice"), the Burke & Herbert Financial Services Corp. 2019 Stock Incentive Plan, as amended from time to time (the "Plan") and the Restricted Stock Unit Agreement (the "Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number: —

Date of Award: —

Vesting Commencement Date:

Total Number of Restricted Stock Units Awarded (the "Units"):

Vesting Schedule

Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Agreement and the Plan, the Units will "vest" in accordance with the following schedule (the "Vesting Schedule"):

The Units will vest 100% between three years after the Vesting Commencement Date and five years after the Vesting Commencement Date, provided that the closing price of a common share of Burke & Herbert Financial Services Corp. equals or exceeds $85.00 for fifteen trading days, consecutive or non-consecutive, over a thirty day trading period prior to five years after the Vesting Commencement Date. A trading day shall mean any date on which the Nasdaq Stock Market is open for trading and such common share is traded on the Nasdaq Stock Market. If such conditions are not met, this grant of Units shall be forfeited as of the fifth anniversary of the Vesting Commencement Date.

For purposes of this Notice and the Agreement, the term "vest" shall mean, with respect to any Units, that such Units are no longer subject to forfeiture to the Company. If the Grantee

would become vested in a fraction of a Unit, such Unit shall not vest until the Grantee becomes vested in the entire Unit.

If Grantee dies or incurs a Disability prior to becoming vested, then 100% of the Units will become vested as of the date of the death or disability.

Dividend Equivalents

In the event the Company declares a cash dividend on its Common Stock prior to the earlier of the date of the Award is settled in full or terminates, Dividend Equivalent Rights will be credited in respect of any then outstanding Units. Pending distribution or forfeiture of the Units, a bookkeeping account will be credited for the benefit of the Grantee with Dividends Equivalent Rights with respect to all cash dividends declared on the shares of Common Stock underlying the Units. To the extent and at the time that the Units vest in the Grantee, the Grantee will receive in cash the Dividend Equivalent Rights (without interest) associated with the Units. For the avoidance of doubt, to the extent that a Unit does not vest or is forfeited, the Dividend Equivalent Rights associated with the Unit shall be forfeited.

Status Change; Leaves of Absence

In the event of the Grantee's change in status from Employee to Consultant or Director, the determination of whether such change in status results in a termination of Continuous Service will be determined in accordance with Section 409A of the Code.

During any authorized leave of absence, the vesting of the Units as provided in this schedule shall be suspended (to the extent permitted under Section 409A of the Code) after the leave of absence exceeds a period of three (3) months. The Vesting Schedule of the Units shall be extended by the length of the suspension. Vesting of the Units shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity; provided, however, that if the leave of absence exceeds six (6) months, and a return to service upon expiration of such leave is not guaranteed by statute or contract, then (a) the Grantee's Continuous Service shall be deemed to terminate on the first date following such six (6) month period and (b) the Grantee will forfeit the Units that are unvested on the date of the Grantee's termination of Continuous Service. An authorized leave of absence shall include sick leave, military leave, or other bona fide leave of absence (such as temporary employment by the government). Notwithstanding the foregoing, with respect to a leave of absence due to any medically determinable physical or mental impairment of the Grantee that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, where such impairment causes the Grantee to be unable to perform the duties of the Grantee's position of employment or substantially similar position of employment, a twenty-nine (29) month period of absence shall be substituted for such six (6) month period above.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan, and the Agreement.

BURKE & HERBERT FINANCIAL SERVICES CORP.
a Virginia corporation

By: __

Title: __

Date: __

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

Grantee Acknowledges and Agrees:

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Grantee further agrees and acknowledges that this Award is a non-elective arrangement pursuant to Section 409A of the Code.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Company's Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee's responsibility to determine whether or not such sale of Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Grantee understands that the Award is subject to the Grantee's consent to access this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") in electronic form on the Company's intranet or the website of the Company's designated brokerage firm, if applicable. By signing below (or providing an electronic signature by clicking below) and accepting the grant of the Award, the Grantee: (i) consents to access electronic copies (instead of receiving paper copies) of the Plan Documents via the Company's intranet or the website of the Company's designated brokerage firm, if applicable; (ii) represents that the Grantee has access to the Company's intranet or the website of the Company's designated brokerage firm, if applicable; (iii) acknowledges receipt of electronic copies, or that the Grantee is already in possession of paper copies, of the Plan Documents; and (iv) acknowledges that the Grantee is familiar with and accepts the Award subject to the terms and provisions of the Plan Documents.

The Company may, in its sole discretion, decide to deliver any Plan Documents by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 10 of the Agreement. The Grantee further agrees to the venue and jurisdiction

selection in accordance with Section 11 of the Agreement. The Grantee further agrees to notify the Company upon any change in his or her residence address indicated in this Notice.

Date: __

__
Grantee's Signature

__
Grantee's Printed Name

__
Address

__
City, State and Zip Code

BURKE & HERBERT FINANCIAL SERVICES CORP.
2023 STOCK INCENTIVE PLAN

NOTICE OF GRANT OF PERFORMANCE RESTRICTED STOCK UNITS AWARD

Burke & Herbert Financial Services Corp., pursuant to its 2023 Stock Incentive Plan (the "Plan"), hereby grants to the individual listed below (the "Participant") this award of Performance Restricted Stock Units. The Performance Restricted Stock Units described in this Notice of Grant of Performance Restricted Stock Units Award (the "Notice") are subject to the terms and conditions set forth in the Award Agreement attached hereto as Exhibit A (the "Agreement") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, capitalized terms used in this Notice and the Agreement will have the meanings defined in the Plan.

Participant:	[Name]
Grant Date:	[ ] [ ], 2026
Performance Period:	January 1, 2026 – December 31, 2028
Target Number of Performance Restricted Stock Units ("Target Units"):	[#]

By signing below, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement, and this Notice. This document may be executed, including by electronic means, in multiple counterparts, each of which will be deemed an original, and all of which together will be deemed a single instrument.

BURKE & HERBERT FINANCIAL SERVICES CORP.

Sign:__ Name:__ Title:__ Date: __

PARTICIPANT

Sign:__ Name:__ Date: __

EXHIBIT A AWARD AGREEMENT

1. **Grant of Award**. Effective as of the Grant Date set forth in the Notice, the Company has granted to the Participant an award of Performance Restricted Stock Units (the "Award"), which may become vested subject to the restrictions and on the terms and conditions set forth in the Notice, the Plan, and this Agreement. Each Performance Restricted Stock Unit granted hereunder ("PRSU") represents the right to receive one Share, subject to the terms and conditions set forth herein.

2. **Vesting Conditions and Settlement**. The PRSUs may become vested upon the achievement of the performance vesting conditions described below (the "Performance-Vesting Conditions"), subject to the Participant's continuous service with the Company through the end of the Performance Period (the "Time-Vesting Condition"). Solely for purposes of this Agreement, service with the Company shall be deemed to include service with an Affiliate (for only so long as such entity remains an Affiliate of the Company). Each performance metric shall be assessed independently. Failure to attain "Threshold" performance in any one performance metric shall have no effect on the vesting of PRSUs attributable to the remaining performance metrics.

(a) rTSR Performance Metric. Subject to the fulfillment of the Time-Vesting Condition:

(i) 1/3 of the Target Units (the "Target rTSR Units") may become vested based on the achievement of the Company's TSR ranking relative to the TSR of the companies listed on Appendix A hereto (such companies collectively the "Peer Group"), measured at the end of the Performance Period as follows:

Performance Level	**Company TSR Percentile Rank Relative to Peer Group TSR ("rTSR")**	**Percentage of Target rTSR Units Eligible to Vest**
Maximum	75th Percentile or More	200%
Target	50th Percentile	100%
Threshold	25th Percentile	50%
Below Threshold	Below 25th Percentile	0%

(ii) In the event that the Company's absolute TSR is a negative number, the maximum number of Target rTSR Units that may vest shall be 100% of the Target rTSR Units.

(iii) Average Closing Price" means, (i) when determining it with reference to the first day of the Performance Period, the average of the closing price of the applicable stock for the 20 consecutive trading days ending on the date immediately preceding the first day of the Performance Period, and (ii) when determining it with reference to the last day of the Performance Period, the average of the closing price of the applicable stock for the 20

consecutive trading days ending on the last day of the Performance Period. For purposes of the calculation, dividend reinvestment will be deemed to occur on the ex-dividend date. The Committee shall make appropriate equitable adjustments, as determined by the Committee in its sole discretion, to account for extraordinary items affecting a company's capital structure during the Performance Period, such as a stock split, reverse stock split, stock dividend, split up, spin-off, or other distribution, combination or exchange of such company's stock.

(iv) "TSR" (or total shareholder return) means, (x) the Average Closing Price of a company's share of common stock determined as of the last day of the Performance Period less the Average Closing Price of a company's share of common stock determined as of the first day of the Performance Period plus reinvested dividends, divided by (y) the Average Closing Price of a company's share of common stock determined as of the first day of the Performance Period.

(b) Three-year ROAA Performance Metric. Subject to the fulfillment of the Time-Vesting Condition:

(i) 1/3 of the Target Units may become vested based on the achievement of the Company's Three-year ROAA performance metric (the "Target ROAA Units"), measured at the end of the Performance Period as follows:

Performance Level	**Three-year ROAA**	**Percentage of Target ROAA Units Eligible to Vest**
Maximum	160% or More	200%
Target	120%	100%
Threshold	90%	50%
Below Threshold	Below 90%	0%

(ii) "Three-year ROAA" means the average ROAA for the three calendar years in the Performance Period.

(iii) "ROAA" or "Return on Average Assets" means return on average assets for the applicable calendar year, as determined in accordance with generally accepted accounting principles.

(c) Three-year ROATCE Performance Metric. Subject to the fulfillment of the Time-Vesting Condition:

(i) 1/3 of the Target Units may become vested based on the achievement of the Company's Three-year ROATCE performance metric (the "Target ROATCE Units"), measured at the end of the Performance Period as follows:

Performance Level	**Three-year ROATCE**	**Percentage of Target ROATCE Units Eligible to Vest**

Maximum	17% or More	200%
Target	14%	100%
Threshold	11%	50%
Below Threshold	Below 11%	0%

(ii) “Three-year ROATCE” (or three-year return on average tangible common equity) means the average ROATCE for the three calendar years in the Performance Period.

(iii) “ROATCE” means the Company’s net income for the applicable calendar year, adjusted for good will and core deposit intangibles, as a percent of average tangible common equity for the applicable calendar year.

(d) The Committee shall have the authority to make appropriate adjustments in its discretion with respect to the determination of Three-year ROAA and Three-year ROATCE due to the impact of non-recurring events or extraordinary or special items, such as new legislation, changes in accounting principles, changes to capital structure, mergers, acquisitions, divestitures, and reorganizations.

(e) Straight-line interpolation will be used to determine the percentage of Target Units that become vested for each performance metric when the applicable performance falls between the “Threshold” and “Target” or “Target” and “Maximum” performance levels. Any fractional Share will be rounded to the next whole Share.

(f) Except as otherwise provided in Section 3 below, the Committee shall determine the number of PRSUs that become vested pursuant to this Section 2, if any, as soon as administratively practicable following the end of the Performance Period and one Share will be delivered with respect to each such vested PRSU after the Performance Period, but in no event later than March 15, 2029. Any PRSUs that do not become vested shall be forfeited automatically.

3. **Cessation of Service During Performance Period**.

(a) Unless otherwise provided below, upon the cessation of the Participant’s service with the Company during the Performance Period for any reason, all of the PRSUs will be forfeited automatically and the Participant will have no further rights hereunder. Notwithstanding anything in the Participant’s employment agreement to the contrary, the treatment of this Award upon the Participant’s cessation of service with the Company will be governed exclusively by the terms and conditions in this Award and the Plan. Any provisions of a Participant’s employment agreement that provide for additional vesting in connection with a Participant’s cessation of service shall not apply to this Award.

(b) If the Participant’s service ceases due to the Participant’s death during the Performance Period, the Pro Rata Target Units will vest. Any remaining PRSUs shall be forfeited automatically upon the Participant’s death. One Share will be delivered with respect to each vested PRSU within 60 days of the date of death.

(c) If the Participant’s service ceases due to the Participant’s Disability during the Performance Period, then subject to satisfaction of the Release Requirement, the Pro Rata Target rTSR Units, Pro

Rata Target ROAA Units and Pro Rata Target ROATCE Units shall remain outstanding until the end of the Performance Period, and be eligible to vest and be settled in accordance with Section 2. For the avoidance of doubt, each reference in Section 2 to the number of Target Units eligible to vest pursuant to this Section 3(c) shall be replaced with the appropriate reference to the number of Pro Rata Target Units eligible to vest. Any remaining PRSUs shall be forfeited automatically.

(d) If the Participant's service ceases due to the Participant's Retirement on or after the six month anniversary of the Grant Date and during the Performance Period, then subject to satisfaction of the Release Requirement, the Pro Rata Target rTSR Units, Pro Rata Target ROAA Units and Pro Rata Target ROATCE Units shall remain outstanding until the end of the Performance Period, and be eligible to vest and be settled in accordance with Section 2. For the avoidance of doubt, each reference in Section 2 to the number of Target Units eligible to vest pursuant to this Section 3(d) shall be replaced with the appropriate reference to the number of Pro Rata Target Units eligible to vest. Any remaining PRSUs shall be forfeited automatically.

(e) If the Participant's service ceases due to a termination by the Company without Cause during the Performance Period, and such termination or resignation has occurred within two years following a Change in Control (a "Change in Control Termination"), then subject to satisfaction of the Release Requirement, the PRSUs shall remain outstanding until the end of the Performance Period, and be eligible to vest and be settled in accordance with Section 2, as though the Participant had remained in service with the Company through the Performance Period.

(f) Notwithstanding anything to the contrary herein, upon the cessation of the Participant's service with the Company for Cause (or a resignation by the Participant at such time as the Company could have terminated the Participant's service for Cause) at any time while the Award remains outstanding, all of the outstanding PRSUs (whether or not vested) will be forfeited automatically and the Participant will not receive any consideration hereunder.

(g) Notwithstanding anything to the contrary herein, the vesting of any PRSUs and settlement of any amounts under this Section 3 are contingent upon the Participant's continuing compliance with any restrictive covenants that are applicable to the Participant, including without limitation those included in the Participant's employment agreement and/or Non-Disclosure and Restrictive Covenant Agreement, provided that this contingency is not prohibited by applicable law.

(h) For purposes of this Agreement:

(i) "Cause" shall mean "Cause" or "Just Cause," as defined in the Participant's employment agreement with the Company or its Affiliate. If the Participant does not have an employment agreement with the Company or its Affiliate, or such employment agreement does not specifically define "Cause" or "Just Cause," then "Cause" shall have the meaning prescribed in the Plan.

(ii) "Disability" shall have the meaning ascribed to such term in the Participant's employment agreement with the Company or its Affiliate. If the Participant does not have an employment agreement with the Company or its Affiliate, or such employment agreement does not specifically define "Disability," then "Disability" shall have the meaning prescribed in the Plan.

(iii) "Pro Rata Target Units" shall mean the Target Units multiplied by a fraction, the numerator of which is the number of days in the Performance Period through the Participant's cessation of service and the denominator of which is the total number of days in the Performance Period.

(iv) "Pro Rata Target rTSR Units," "Pro Rata Target ROAA Units" and "Pro Rata Target ROATCE Units" shall in each case mean 1/3 of the Pro Rata Target Units.

(v) "Release Requirement" shall mean that, 45 days following the Participant's cessation of service, the Participant (or the Participant's personal representative, if applicable) has executed a general release of claims in favor of the Company and its affiliates in a form prescribed by the Company and such release has become irrevocable in accordance with its terms. If the Release Requirement has not been timely satisfied, then any PRSUs that would have otherwise become vested under Section 3 will be forfeited automatically and the Participant will have no further rights hereunder.

(vi) "Retirement" shall mean the Participant's cessation of service with the Company on or after the six month anniversary of the Grant Date for any reason (other than due to the Participant's death, Disability, Change in Control Termination, a termination by the Company for Cause, or a resignation by the Participant at such time as the Company could have terminated the Participant's service for Cause) after the Participant has (i) attained age 65 and (ii) has been in continuous service with the Company for at least five years.

4. **Miscellaneous**.

(a) The award of PRSUs constitutes an unfunded and unsecured obligation of the Company. The Participant shall not have any stockholder rights or privileges with respect to the Shares underlying the PRSUs, in each case, unless and until a PRSU becomes vested and a Share is delivered with respect thereto.

(b) In the event of the death of the Participant, any amounts payable hereunder (if any) will be paid to the "Designated Beneficiary" as identified in the then-current group term life insurance policy maintained by the Company or its Affiliate. Notwithstanding the foregoing, if there is no such group term life insurance policy or there is such a group term life insurance policy but there is no "Designated Beneficiary," then amounts payable hereunder (if any) will be paid to the Participant's estate.

5. **Dividends**. If the Company declares and pays a cash dividend or distribution with respect to its Shares on or following the Grant Date, any PRSUs with respect to which Shares have not been delivered ("Outstanding Units"), whether vested or unvested, will be credited with an amount of cash equal to the value of such cash dividend or distribution. Additional cash credited under this Section 5 will be subject to the same vesting and settlement terms as the Outstanding Units to which such cash amount relates.

6. **Restrictive Covenant Agreement.** In consideration for the grant of the Award, the Participant agrees to execute the Non-Disclosure and Restrictive Covenant Agreement provided to the Participant and to comply with the provisions contained therein. The Award is granted contingent upon the Participant executing such Non-Disclosure and Restrictive Covenant Agreement.

7. **Non-Transferability of Award**. The Award is subject to restrictions on transfer as set forth in Section 17 of the Plan.

8. **Section 409A**. The Award is intended to be exempt from Section 409A of the Code and should be interpreted accordingly. Nonetheless, the Company does not guarantee the tax treatment of the Award. Notwithstanding anything herein to the contrary, the Company may terminate this arrangement at any time in a manner consistent with the requirements of Section 409A of the Code. Notwithstanding any other provision of this Agreement, to the extent provided in Prop. Treas. Reg. § 1.409A-1(b)(4)(ii) or any successor provision, the Company may delay settlement of PRSUs if it reasonably determines that such settlement would violate federal securities laws or any other Applicable Law.

9. **No Right to Continued Service**. Neither the Plan nor this Award will confer upon the Participant any right to continue in the employment or service of the Company or any of its Affiliates, or limit in any respect the right of the Company or its Affiliates to discharge the Participant at any time, with or without Cause.

10. **The Plan**. The Participant has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Award subject to the terms and provisions of the Plan. Pursuant to the Plan, the Committee is authorized to interpret the Plan and any awards issued under the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee with respect to questions arising under the Plan, the Notice, or this Agreement.

11. **Clawback Provisions**. In consideration for the grant of the Award, the Participant agrees to be subject to (i) any compensation, clawback, recoupment or similar policies of the Company or its Affiliates covering the Participant that may be in effect from time to time (including, without limitation, the Burke & Herbert Financial Services Corp. Clawback Policy), whether adopted before or after the Grant Date, and (ii) to such other clawback measures as may be required by Applicable Law ((i) and (ii) together, the "Clawback Provisions"). The Participant understands that the Clawback Provisions are not limited in their application to the Award, or to any equity or cash the Participant may receive in connection with the Award. In addition, the Committee reserves the right to reduce amounts payable hereunder by an amount equal to the losses incurred by the Company and its Affiliates due to the fraud or malfeasance of the Participant (whether due to an action or failure to act on the part of the Participant), including legal and other costs associated with that loss.

12. **Other Company Policies**. The Participant agrees, in consideration for the grant of the Award, to be subject to any policies of the Company and its Affiliates regarding stock ownership, securities trading, anti-hedging and anti-pledging of securities, and other similar policies, that may be in effect from time to time, or as may otherwise be required by Applicable Law.

13. **Entire Agreement**. The Notice, and this Agreement, together with the Plan, represent the entire agreement between the parties with respect to the subject matter hereof and supersede any prior agreement, written or otherwise, relating to the subject matter hereof.

14. **Acknowledgment of Non-Reliance**. Except for those representations and warranties expressly set forth in this Agreement, the Participant hereby disclaims reliance on any and all representations, warranties, or statements of any nature or kind, express or implied, including, but not limited to, the accuracy or completeness of such representations, warranties, or statements.

15. **Amendment**. This Agreement may only be amended by a writing signed by each of the parties hereto; provided that the Company may amend this Agreement without the Participant's consent, if the amendment does not materially impair the Participant's rights hereunder.

16. **Choice of Law**. This Agreement, the interpretation and enforcement thereof and all claims arising out of or relating to this Agreement or the transactions contemplated by this Agreement, whether sounding in tort, contract or otherwise, shall be governed solely and exclusively by, and construed in accordance with, the laws and judicial decisions of the Commonwealth of Virginia without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws and judicial decisions of any jurisdiction other than the Commonwealth of Virginia.

17. **Forum Selection**. All actions and proceedings arising out of or relating to this Agreement, or the transactions contemplated by this Agreement, shall be heard and determined solely and exclusively in the Circuit Court for the City of Alexandria in the Commonwealth of Virginia or the Alexandria Division of the United States District Court for the Eastern District of Virginia, chosen at

the option of the Company and to which the Participant waives all objections. The Participant consents to personal jurisdiction in Virginia.

18. **Waiver of Jury Trial**. Each party hereby waives its right to a jury trial of any and all claims or cause of actions based upon or arising out of this Agreement or the transactions contemplated by this Agreement. Each party hereby acknowledges and agrees that the waiver contained in this Section 18 is made knowingly and voluntarily.

19. **Headings**. The headings in this Agreement are for convenience only. They form no part of the Agreement and will not affect its interpretation.

20. **Tax Withholding**. In accordance with Section 18 of the Plan, the obligations of the Company hereunder are conditioned on the Participant timely paying, or otherwise making arrangements satisfactory to the Company regarding the timely satisfaction of, any tax withholding requirements.

21. **Electronic Delivery of Documents**. The Participant authorizes the Company to deliver electronically any prospectuses or other documentation related to the Award and any other compensation or benefit plan or arrangement in effect from time to time (including, without limitation, reports, proxy statements or other documents that are required to be delivered to participants in such arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's intranet site or the website of a third-party administrator designated by the Company. Upon written request, the Company will provide to the Participant a paper copy of any document also delivered to the Participant electronically. The authorization described in this Section 21 may be revoked by the Participant at any time by written notice to the Company.

22. **Further Assurances**. The Participant agrees, upon demand of the Company, to do all acts and execute, deliver and perform all additional documents, instruments and agreements which may be reasonably required by the Company to implement the provisions and purposes of this Agreement and the Plan.

APPENDIX A COMPANY PEER GROUP

The Peer Group consists of the following companies (each, a "Peer Group Company"):

- WSFS Financial Corporation
- Independent Bank Corp.
- First Financial Bancorp.
- First Merchants Corporation
- TowneBank
- ServisFirst Bancshares, Inc.
- Community Financial System, Inc.
- NBT Bancorp Inc.
- Seacoast Banking Corporation of Florida
- Northwest Bancshares, Inc.
- Dime Community Bancshares, Inc.
- ConnectOne Bancorp, Inc.
- Live Oak Bancshares, Inc.
- FB Financial Corporation
- OceanFirst Financial Corp.
- First Bancorp
- First Commonwealth Financial Corporation
- Eagle Bancorp, Inc.
- Amerant Bancorp Inc.
- Park National Corporation
- S&T Bancorp, Inc.
- Peoples Bancorp Inc.
- Stock Yards Bancorp, Inc.
- 1st Source Corporation
- The Bancorp, Inc.
- Flushing Financial Corporation
- Amalgamated Financial Corp.
- Tompkins Financial Corporation
- German American Bancorp, Inc.
- Univest Financial Corporation
- Metropolitan Bank Holding Corp.
- Kearny Financial Corp.
- Horizon Bancorp, Inc.
- Peapack-Gladstone
- Financial Corporation
- Republic Bancorp, Inc.
- Lakeland Financial Corporation
- Camden National Corporation
- Washington Trust Bancorp, Inc.
- City Holding Company

Northpointe Bancshares, Inc.

- Community Trust Bancorp, Inc.
- Mid Penn Bancorp, Inc.
- TrustCo Bank Corp NY
- CNB Financial Corporation
- Mercantile Bank Corporation
- Financial Institutions, Inc.
- First Internet Bancorp
- Shore Bancshares, Inc.
- Northfield Bancorp, Inc. (Staten Island, NY)
- HarborOne Bancorp, Inc.
- First Financial Corporation
- SmartFinancial, Inc.
- Independent Bank Corporation
- Orrstown Financial Services, Inc.
- NB Bancorp, Inc.
- Farmers National Banc Corp.
- Peoples Financial Services Corp.

1. In the event that a merger, acquisition or business combination of a Peer Group Company by or with another Peer Group Company is consummated during the Performance Period, then the entity that survives as a result of such merger, acquisition, or business combination will be considered a Peer Group Company for the Performance Period.

2. In the event that a merger, acquisition or business combination of a Peer Group Company by or with an entity that is not a Peer Group Company is consummated during the Performance Period, and such Peer Group Company is the entity that survives such merger, acquisition, or business combination, then such Peer Group Company will continue to be considered a Peer Group Company for the Performance Period.

3. If during the Performance Period, (a) a Peer Group Company ceases to be a public company by becoming a private company through the "going dark" process, (b) a Peer Group Company delists, or (c) a merger, acquisition or business combination of a Peer Group Company by or with an entity that is not a Peer Group Company is consummated, and such Peer Group Company is not the entity that survives such merger, acquisition, or business combination, then such Peer Group Company shall be removed from the Peer Group for the Performance Period.

4. If during the Performance Period, a Peer Group Company files a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code or liquidation under Chapter 7 of the U.S. Bankruptcy Code, or enters receivership by the FDIC, such Peer Group Company shall remain in the Peer Group; provided that, for purposes of this Agreement, the TSR for such Peer Group Company(ies) will be negative one hundred percent (-100%).

5. The Committee shall have the authority to make other appropriate adjustments in response to a change in circumstances that results in a Peer Group Company no longer satisfying the criteria for which such company was originally selected, including lowering such Peer Group Company's rank for purposes of determining rTSR.

Exhibit 31.1

CERTIFICATION

I, David P. Boyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Burke & Herbert Financial Services Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2026

/s/ David P. Boyle
David P. Boyle
Chairman of the Board and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Roy E. Halyama, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Burke & Herbert Financial Services Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2026

/s/ Roy E. Halyama
Roy E. Halyama
Executive Vice President & Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 906

In connection with the Quarterly Report on Form 10-Q of Burke & Herbert Financial Services Corp. (the "Company") for the period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, as the Principal Executive Officer of the Company and the Principal Financial Officer of the Company, respectively, certify, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2026

/s/ David P. Boyle
David P. Boyle
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Date: May 8, 2026

/s/ Roy E. Halyama
Roy E. Halyama
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)