





First Quarter 2023

Eagle Financial Services, Inc.

Forward Looking Statements

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Certain information contained in this Presentation (together with oral statements made in connection herewith, this "Presentation") may include "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to future operations of Eagle Financial Services, Inc. (the "Company," "we," "us," or "our") and are generally identified by the use of words such as "estimate," "plan," "project," "forecast," "intend," "will," "expect," "believe," "seek," "anticipate," "target," or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of operating and financial measures or metrics and projections of growth, market opportunity and market share. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reliable assumptions within the bounds of its knowledge of its business and operations, there can be no assurance that actual results, performance or achievements of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are not intended to serve as, and must not be relied on by any prospective or current investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict, are beyond the control of the Company and will differ from assumptions. These forward looking statements are subject to a number of risks and uncertainties. Factors that could have a material adverse effect on the operations and future prospects of the Company include, but are not limited to: changes in interest rates and general economic conditions; the effects of the COVID-19 pandemic, including on the Company's credit quality and business operations, as well as its impact on general economic and financial market conditions; the legislative and regulatory climate; monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and Federal Reserve; the quality or composition of the Company's loan or investment portfolios; demand for loan products; deposit flows; competition; demand for financial services in the Company's market area; acquisitions and dispositions; the Company's ability to keep pace with new technologies; a failure in or breach of the Company's operational or security systems or infrastructure, or those of third-party vendors or other service providers, including as a result of cyber-attacks; the Company's capital and liquidity requirements; changes in tax and accounting rules, principles, policies and guidelines; and other factors included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and other filings with the Securities and Exchange Commission.

If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company is not aware of or that the Company currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect the Company's expectations, plans or forecasts of future events and views as of the date of this Presentation. The Company anticipates that subsequent events and developments will cause its assessments to change; however, the Company has no obligation to update these forward looking statements, unless required by law. Accordingly, you should not place undue reliance upon any such forward-looking statements in this Presentation when deciding whether to make any investment in the Company.

The Company has no obligation to update this Presentation. Although all information included in this Presentation was obtained from sources believed to be reliable and in good faith, no representation or warranty, express or implied, is made as to its accuracy or completeness. This Presentation contains preliminary information only, is subject to change at any time and is not, and should not be assumed to be, complete or to constitute all the information necessary to adequately make an informed decision regarding your investment in the Company.

Use of Projections; Financial Information; Non-GAAP Financial Measures

This Presentation contains projected operating and financial information with respect to the Company. Such projected financial information constitutes forward-looking information, is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such projected operating and financial information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in the projected operating and financial information. See the disclosures under the heading "Forward-Looking Statements" above. The inclusion of such information in this Presentation should not be regarded as a representation by any person that the results reflected in such projections will be achieved, if at all. The independent auditors of the Company have not audited, reviewed, compiled or performed any procedures with respect to the projected operating or financial information for the purpose of their inclusion in this Presentation, and accordingly, they express no opinion and provide other form of assurance with respect thereto for the purpose of this Presentation.

This Presentation contains certain non-GAAP financial measures including, without limitation, Pre tax pre provision income, core net income, core pre tax pre provision income, core efficiency ratio, tangible assets, tangible common equity, tangible book value per share, tangible common equity to tangible assets, average tangible common equity, core efficiency ratio, return on tangible common equity, core return on average assets, core return on average tangible common equity, and pre tax pre provision return on average assets. Our management uses these non-GAAP financial measures in its analysis of our performance. We believe these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP; however, we acknowledge that our non-GAAP financial measures have a number of limitations. As such, you should not view these measures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies use. A reconciliation of such non-GAAP financial measures to the most closely related GAAP financial measures is included in the Appendix to this Presentation.

Nothing herein should be construed as legal, financial, tax or other advice. You should consult your own advisers concerning any legal, financial, tax or other considerations concerning the opportunity described herein. The general explanations included in this Presentation cannot address, and are not intended to address, your specific investment objectives, financial situations or financial needs.

Industry and Market Data

This Presentation includes estimates regarding market and industry data. Unless otherwise indicated, information concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity, and market size, are based on our management's knowledge and experience in the markets in which we operate, together with currently available information obtained from various sources, including publicly available information, industry reports and publications, surveys, our clients, trade and business organizations and other contacts in the markets in which we operate. Certain information is based on management estimates, which have been derived from third-party sources, as well as data from our internal research. In presenting this information, we have made certain assumptions that we believe to be reasonable based on such data and other similar sources and on our knowledge of, and our experience to date in, the markets in which we operate. While we believe the estimated market and industry data included in this Presentation are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise.

Trademarks and Trade Names

The Company owns or has rights to various trademarks, service marks and trade names that it uses in connection with the operation of its business. Solely for convenience, the trademarks, service marks and trade names referred to in this Presentation may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights to these trademarks, service marks and trade names under applicable law. Other service marks, trademarks and trade names referred to in this Presentation, if any, are the property of their respective owners.

Table of Contents

1. Introduction

2. Detailed Financial Review

3. Appendix

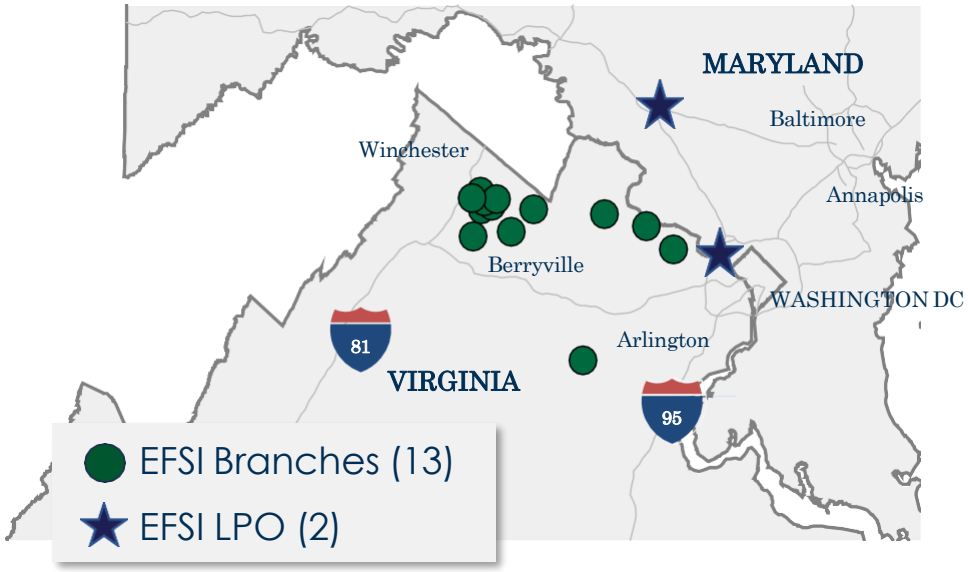


1. Introduction

Company Overview

The EFSI Story

- Eagle Financial Services, Inc., operating as Bank of Clarke, was established **over 140 years ago**
- **Commercial focused** banking institution operating in several of the **country's most attractive markets**
- **Deep management team** with experience running larger financial institutions
- **Diversified revenue sources** with wealth management and marine finance



2023 Q1 Financial Highlights

Assets ($M)	$1,757	YoY Asset Growth	28%	NPAs / Assets	0.10%	LTM Net Income ($M)	$13.9
Gross Loans ($M)	$1,401	YoY Loan Growth	37%	LLR / Loans	1.00%	LTM Core ROAA (1)	0.96%
Deposits ($M)	$1,390	YoY Deposit Growth	13%	CET1 Ratio	8.0%	LTM Core ROATCE (1)	14.2%
Common Equity ($M)	$104	YoY Core Deposit Growth:	10%	TRBC Ratio	10.9%	Q1 '23 NIM	3.22%

Source: Company Documents; data as of or for the three months ended 3/31/23
Note: Nonperforming assets defined as nonaccrual loans and OREO; core deposits defined as total deposits less jumbo time deposits greater than $250,000
(1) Core Income defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items; see appendix for reconciliation of non-GAAP metrics

History of Growth

1881
- Bank of Clarke opened for business

1991
- Eagle Financial Services, Inc. was incorporated

1992
- First expansion out of Clarke County and into Winchester City, VA and Frederick County, VA markets

2011
- Opened branch in Loudoun County, VA

2015
- Expanded footprint in Northern Virginia: opened branch in Leesburg, VA and in Ashburn, VA

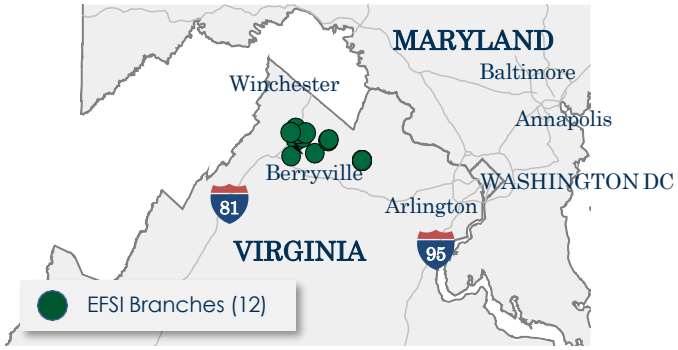
2019
- Brandon Lorey began role as President and CEO of Eagle Financial Services, Inc.

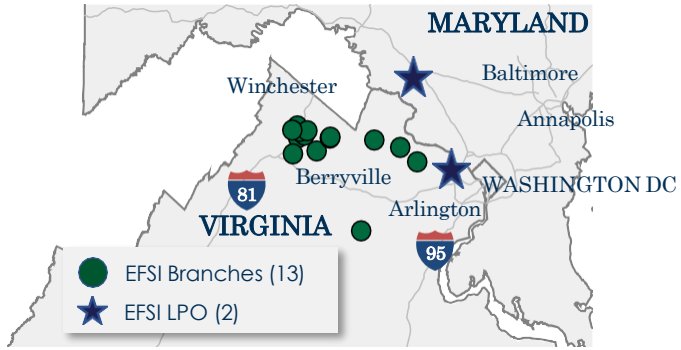
2020
- LaVictoire Finance began operating under EFSI, offering high-end marine financing for maritime customers
- Opened LPO in McLean, VA

2021
- Opened LPO in Frederick, MD
- Hired SBA, Government Contracting, and mortgage teams to expand lending offerings

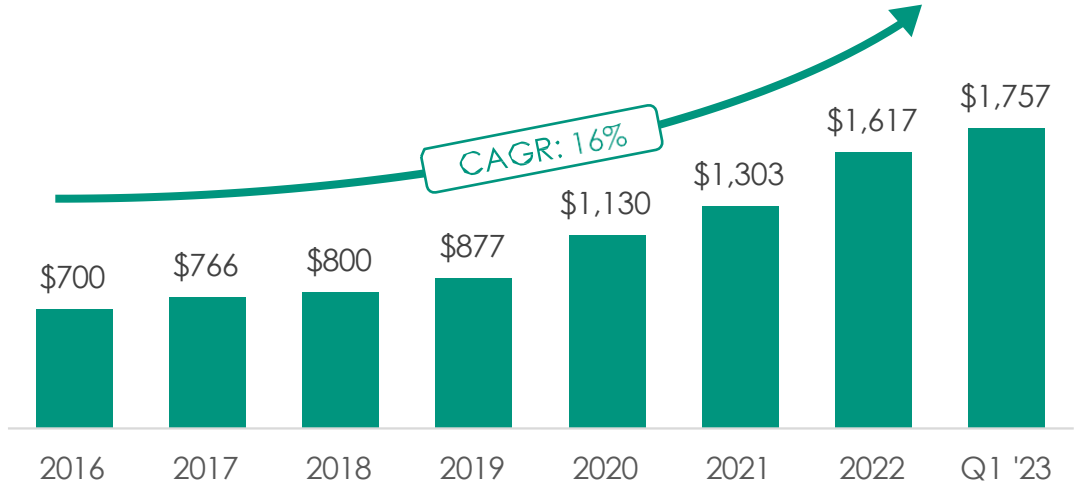
2022
- Raised $30 million of subordinated debt
- Hired a team of trust and wealth management professionals and opened a branch in Warrenton, VA

2012 → 2023





History of Asset Growth



Dollars in millions
Source: Company documents; annual data as 12/31 each year ended; quarterly data as of 3/31/23

Investment Highlights



Experienced Leadership Team

- Deep management team with notable community and regional banking experience in the Mid Atlantic
- Insider ownership of 12% aligns shareholder interest with day-to-day decision making

Attractive Markets of Operation

- Operate in 2 of the top 10 highest household income counties in the United States
- Leverage funding base in legacy markets with robust lending opportunities in the high growth Virginia counties

Disciplined Organic Growth

- Organic growth focus by attracting and retaining elite banking professionals
- Peer leading growth with a 20% asset CAGR since 2018

Attractive Core Deposit Franchise

- 93% core deposit funded as of 3/31/23 with a 1.04% Q1 '23 cost of total deposits
- 33% non interest-bearing deposits vs 26% for peers

Diversified Loan Portfolio

- Focus on commercial lending complemented with niche marine finance business
- $766 M in loan originations in 2022; $165 M in Q1 '23

Scalable Operating Model

- Invested in technology, infrastructure and people for future growth and profitability enhancement
- Operating leverage will be realized with further scale

Source: Company Documents, US Census; data as of 3/31/23
Note: Peer group includes major-exchange traded banks between $1B - $5B in total assets, headquartered in VA, WV, MD, and Washington D.C., excludes merger targets; core deposits defined as total deposits less jumbo time deposits greater than $250,000

Management Team & Board of Directors

Seasoned Management Team



Brandon Lorey
President, Chief Executive Officer & Director
Age: 54
Years in Banking: 33
EFSI Experience: 4



Kathleen Chappell
Executive VP and Chief Financial Officer
Age: 56
Years in Banking: 33
EFSI Experience: 14



Joe Zmitrovich
President of Bank of Clarke and Chief Banking Officer
Age: 53
Years in Banking: 30
EFSI Experience: 7



Kaley Crosen
Executive VP and Chief Human Resources Officer
Age: 57
Years in Banking: 24
EFSI Experience: 24



Aaron Poffinberger
Executive VP and Chief Operating Officer
Age: 40
Years in Banking: 19
EFSI Experience: 8



James George II
Executive VP and Chief Credit Officer
Age: 62
Years in Banking: 40
EFSI Experience: 8

Experienced and Balanced Board

Board Member (Age)	Years on Board	Experience
Thomas T. Gilpin (70) *Chairman*	37 Years	President, Lenoir Company
Robert W. Smalley, Jr. (71) *Vice Chairman*	34 Years	President, Smalley Package Co., Inc.
Cary C. Nelson (48) *Director*	5 Years	President, H. N. Funkhouser & Co.
Mary Bruce Glaize (67) *Director*	28 Years	Founder and Trustee Emerita of Volunteer Shenandoah Valley Discovery Museum
John R. Milleson (66) *Director*	24 Years	Retired President & CEO, EFSI & Bank of Clarke County
Douglas C. Rinker (63) *Director*	17 Years	Chairman & President, Winchester Equipment Co.
John D. Stokely, Jr. (70) *Director*	17 Years	Cavalier Land Development Corp.
Scott M. Hamberger (51) *Director*	7 Years	President & CEO, Integrus Holdings, Inc.
Brandon C. Lorey (54)* *Director*	4 Years	President and Chief Executive Officer of EFSI
Dr. Edward Hill III (58) *Director*	1 Year	Physician executive, entrepreneur, investor
Tatiana C. Matthews (66) *Director*	1 Year	Co-Founder, President, Chairman, The Matthews Group, Inc.

~12% Insider Ownership

- Denotes non-independent board member

Core Values

Our Core Values

Leadership

Outstanding Service

Community

Adaptability

Loyalty

Our Mission: Since 1881, Bank of Clarke's mission has been to be a trusted partner in the communities we serve. Utilizing the power of every connection, our financial solutions are designed to help people achieve their monetary goals, at every stage of life.

*Our Vision: to continue to build **life-long relationships** with our customers, shareholders, and communities.*

We are dedicated to:

- *Remain a high performing community bank*
- *Provide best-in-class technology, products, and service*
- *Be a leading business partner and employer in the markets we serve*

Our Markets



Winchester, VA



- The oldest city in Virginia west of the Blue Ridge mountains; founded in 1744
- #9 small metro area for business and careers in America (*Forbes, 2019)*
- Major industries include education, health services, manufacturing, and distribution
- Home to a "Best Regional Hospital" in the Shenandoah Valley, which is ranked 6th in Virginia in 2022 (*US News*)
- 4.86% projected population growth from '23 – '28 and $92,768 projected median Household income in '28

Major Employers

Trex, Department of Justice Federal Bureau of Investigation, ThermoFisher Scientific, U.S. Department of Homeland Security, FEMA, McKESSON, ValleyHealth



Loudoun and Fairfax Counties, VA



- Loudoun and Fairfax Counties have a diverse range of commercial focuses including government services, national defense, management consulting and telecommunication
- Fairfax County is home to 11 Fortune 500 companies (*Fortune, 2020*)
- 38 of the top 100 global defense companies operate in Fairfax County (*Defense News, 2022*)
- Loudoun County is home to largest and fastest-growing data center hub in the world, with industry leaders like Amazon, Google, and Salesforce using its digital infrastructure (*Northern Virginia Technology Council, 2020*)

Major Employers

amazon, Booz | Allen | Hamilton, Peraton, General Dynamics, Freddie Mac, MITRE

Sources: City of Winchester, Virginia, Forbes, citytowninfo.com, US News, Frederick County Economic Development Authority, S&P Global Market Intelligence, WTOP News, smartasset.com, Loudoun County Economic Development, Fairfax News, Defense News, Fairfax County Economic Development Authority

Dominant Market Share in Our Core Markets

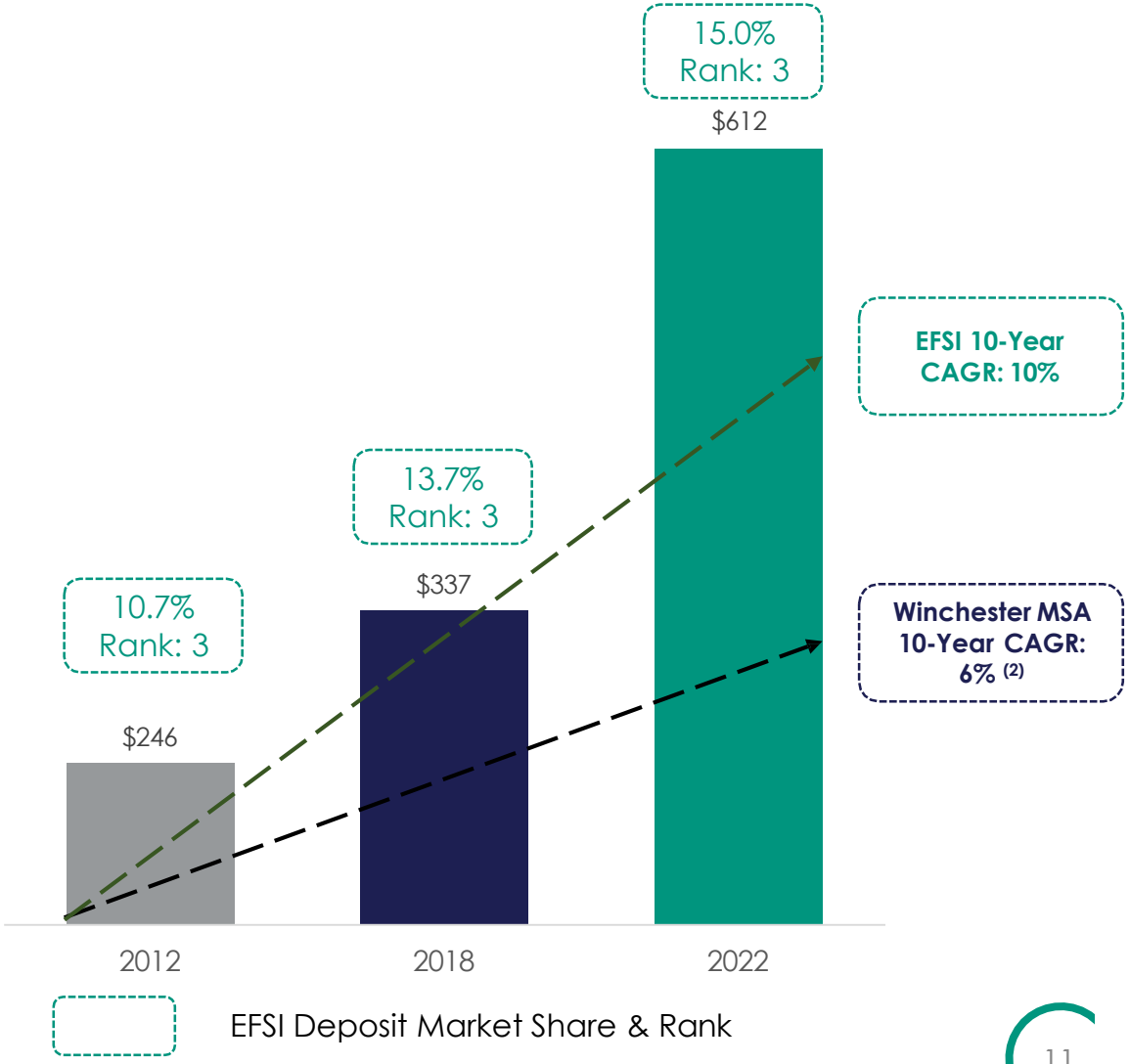
Winchester, VA MSA

Rank	Community Bank Rank (1)	Institution	Deposits ($mm)	Market Share	Branches
1	--	Truist Financial Corp.	$1,391	34.0 %	4
2	--	Wells Fargo & Co.	614	15.0	3
3	**1**	**Eagle Financial Services Inc.**	**612**	**15.0**	**7**
4	2	First National Corporation	356	8.7	3
5	--	United Bankshares Inc.	308	7.5	6
6	3	Romney Bankshares Inc.	250	6.1	6
7	4	Eastern Bancshares Inc.	196	4.8	4
8	5	Summit Financial Group Inc.	148	3.6	2
9	6	City Holding Co.	59	1.5	2
10	7	Virginia National Bankshares Corp.	41	1.0	1

Loudoun County, VA

Rank	Community Bank Rank (1)	Institution	Deposits ($mm)	Market Share	Branches
1	--	Bank of America Corp.	$1,663	17.9 %	8
2	--	Wells Fargo & Co.	1,509	16.2	11
3	--	Truist Financial Corp.	1,495	16.1	12
4	--	Capital One Financial Corp.	1,030	11.1	4
5	--	Atlantic Union Bankshares Corp.	929	10.0	4
6	--	PNC Financial Services Group Inc.	581	6.2	10
7	--	United Bankshares Inc.	470	5.1	6
8	**1**	**Eagle Financial Services Inc.**	**306**	**3.3**	**3**
9	2	John Marshall Bancorp Inc.	267	2.9	1
10	--	Sandy Spring Bancorp Inc.	197	2.1	2

Historical Growth in Winchester Deposits ($B)



Source: S&P Capital IQ Pro; Deposit data as of 6/30 each respective year

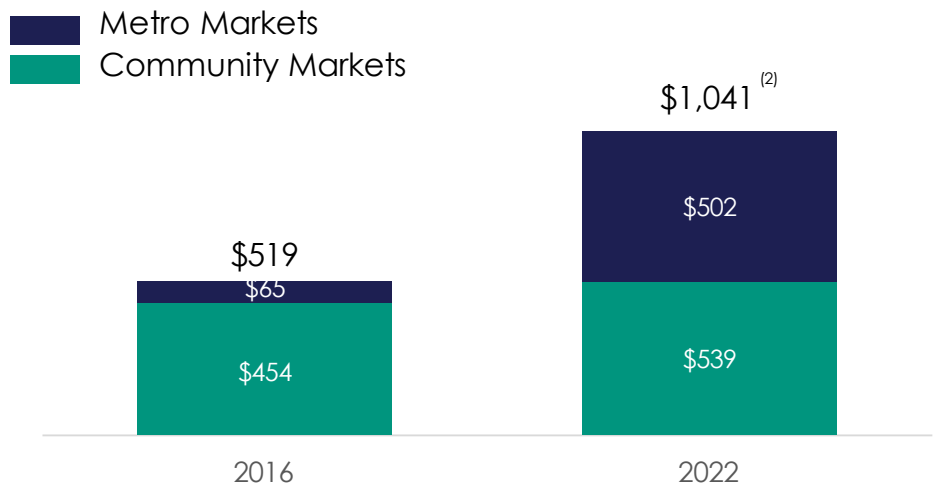
(1) Community banks defined as banks under $10B in assets

(2) Winchester MSA 10-Year CAGR represents the deposit growth in the Winchester MSA market for all banks from 2012 to 2022

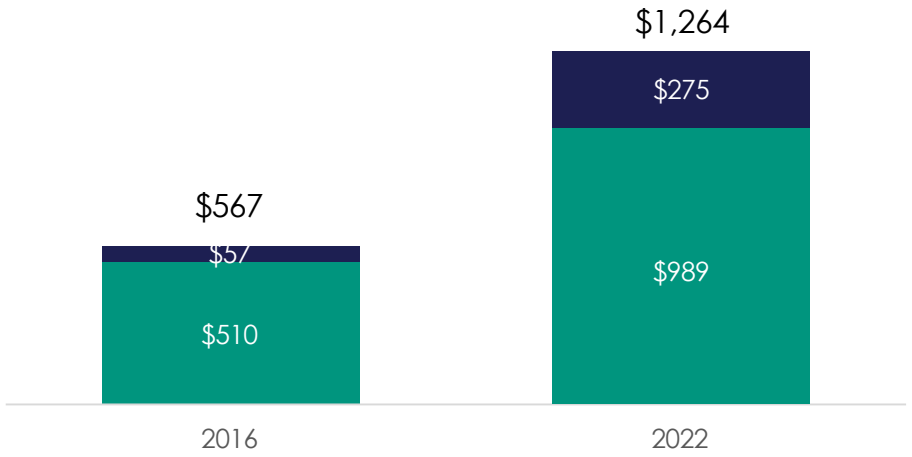
Loans and Deposits by Market

Metro[1] vs. Community Markets

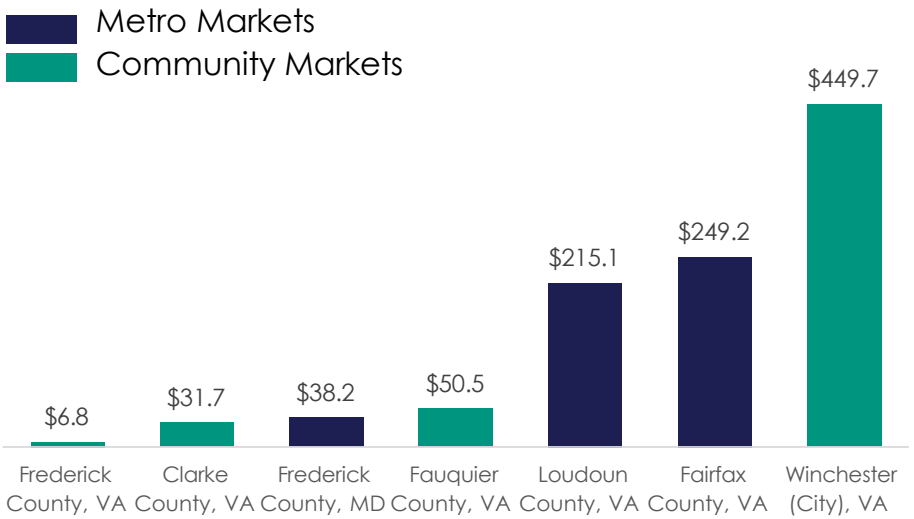
Loans

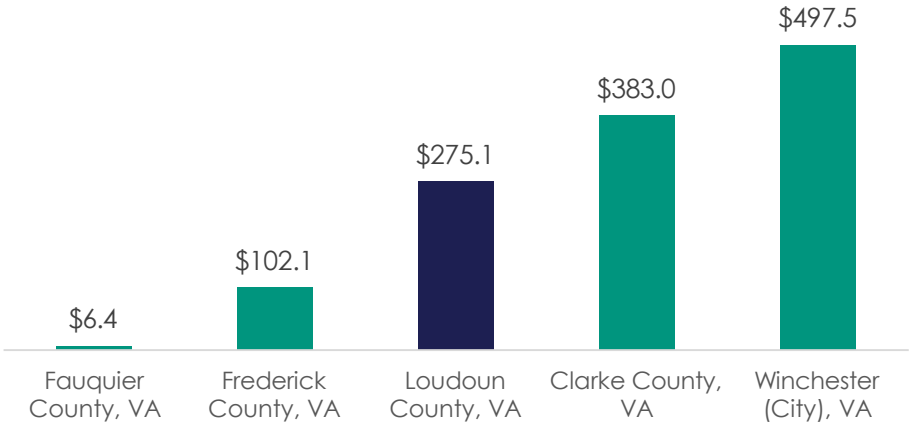


Deposits



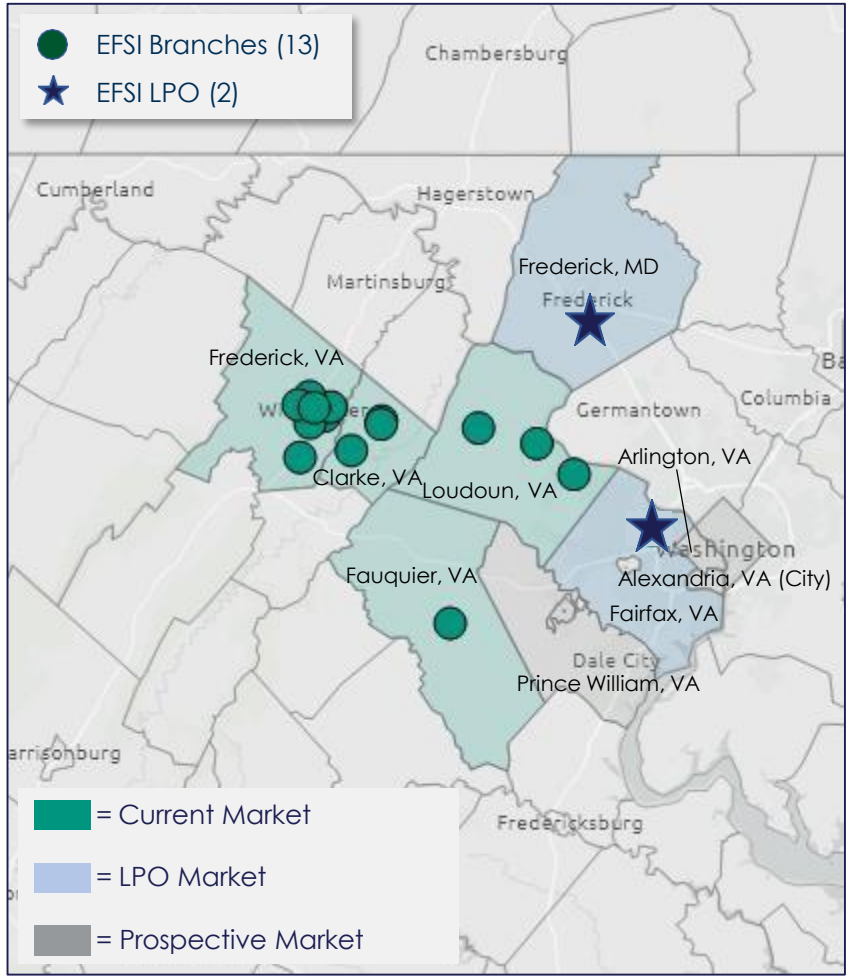
Current Balances by Market



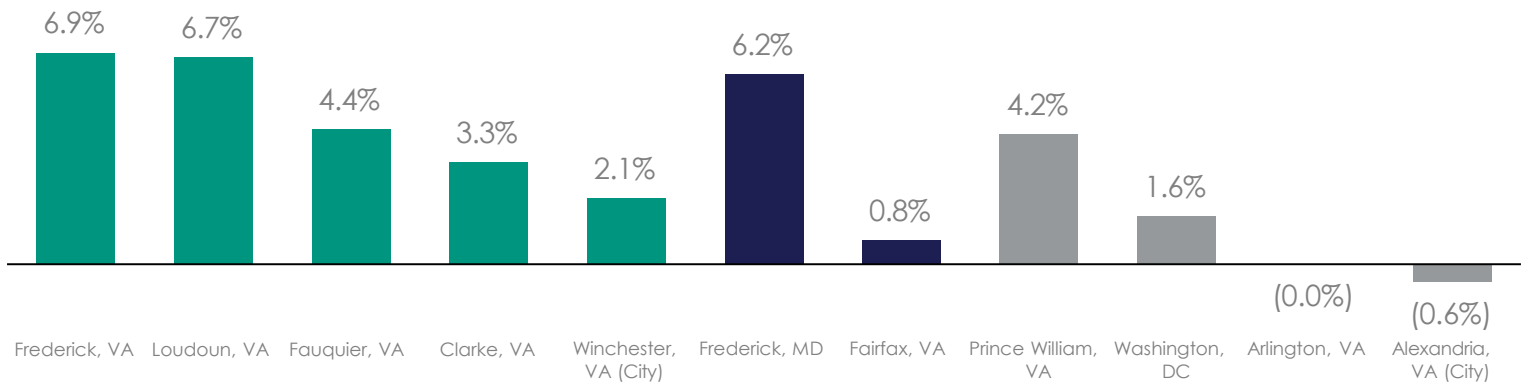


Dollars in millions
Source: Company documents, US Census; data as of 12/31 each year ended
(1) Metro defined as a county with a population of over 250,000 at 2021 census estimates
(2) Excludes $36M in purchased loans, $234M of Marine Finance loans, $5.5M of Mortgage loans, and $6.7M of BHG loans

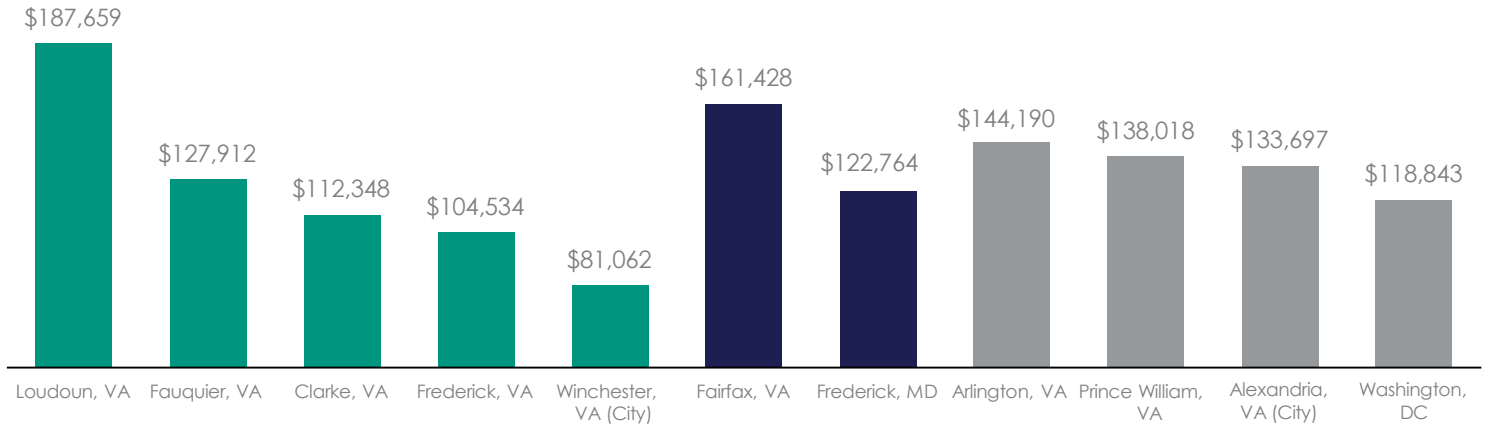
Market Expansion Opportunities



'23 – '28E Projected Population Growth (%)



'28E Projected Median Household Income ($)



Source: S&P Capital IQ Pro; Demographic data as of 6/30/22
Note: Market opportunities are by county, unless otherwise specified

Strategic Objectives

Near Term
2023 - 2025

- Maintain focus on strong, profitable organic growth without compromising credit quality
- Identify areas to expand non-interest income
- Increase utilization of technology to drive revenue and lower expenses
- Increase operating revenue, maximize operating earnings, grow tangible book value
- Expand into new markets by hiring top-tier commercial bankers
- Defend our cost of funds and further grow our core deposit franchise
- Invest in our people and systems to improve the customer experience and preserve the "customer first" value system

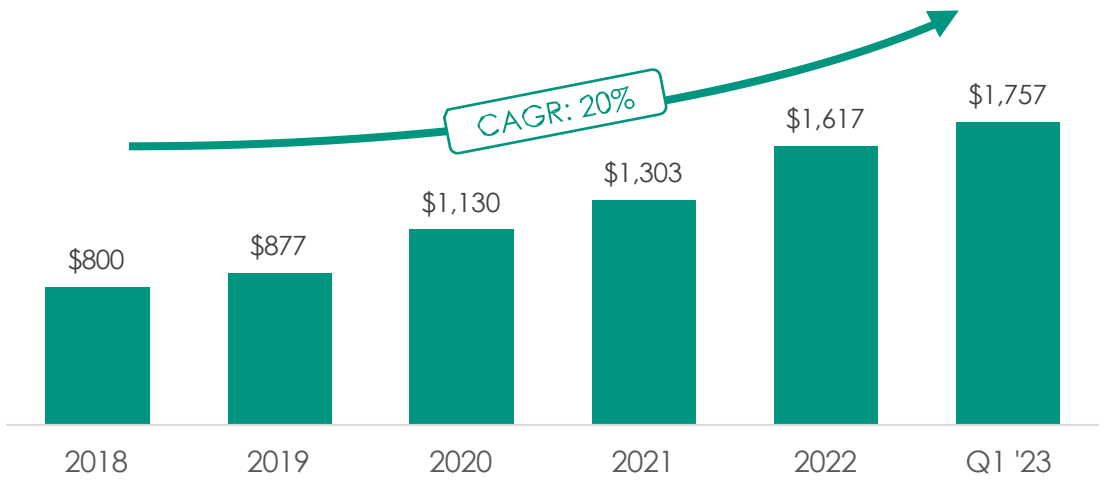
Long Term
2025 and beyond

- Growth-Focused, high-performing bank to create value for our shareholders, customers, and employees
- Be the employer of choice in the communities we serve
- Provide a premier digital experience across all products and services
- Be the market leader for commercial and small businesses in the markets we serve
- Evaluate strategic acquisition opportunities
- Prudently manage capital between balance sheet growth and return to shareholders

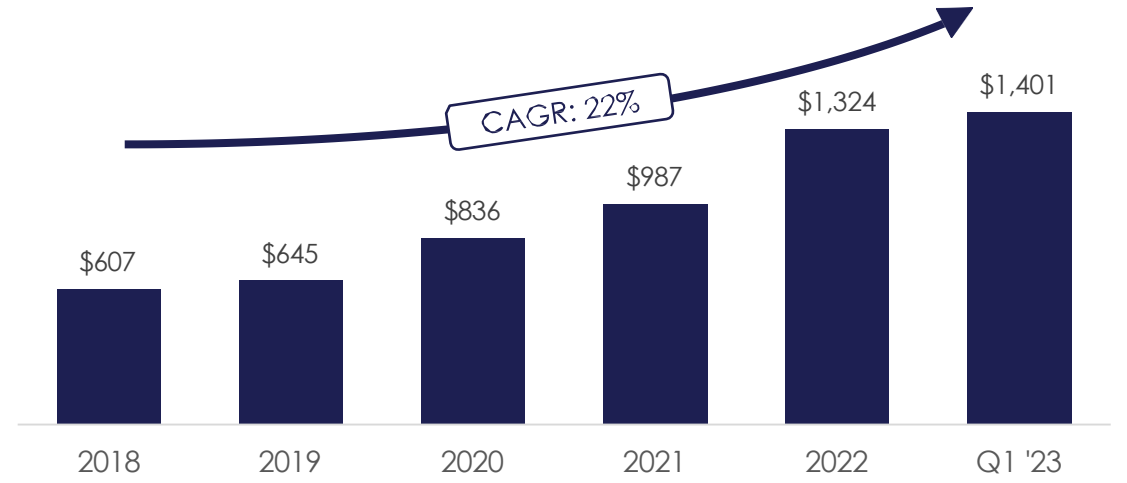
2. Detailed Financial Review

Balance Sheet Growth

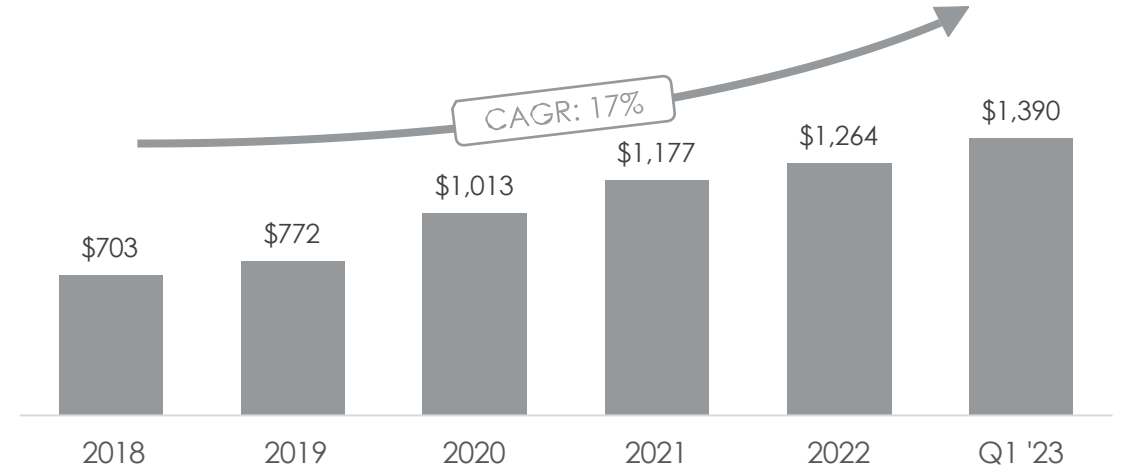
Total Assets ($M)



Gross Loans ($M)



Total Deposits ($M)

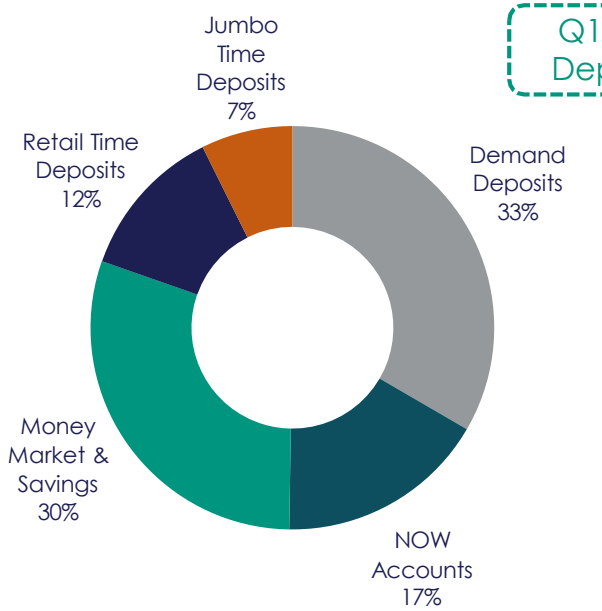


Source: Company documents; annual data as of 12/31 each year ended; quarterly data as of 3/31/23

Core Deposit Portfolio

Deposit Composition

Q1 '23 Total Deposits: $1.4B



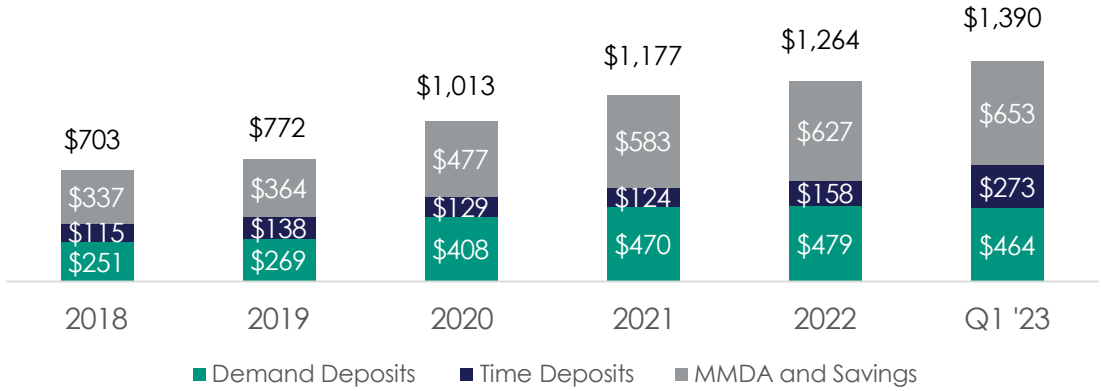
Q1 '23 Cost of Deposits: 1.04%

- Core deposits continue to fuel our organic loan growth strategy
- Continued focus on commercial deposits; recently expanded treasury management product suite
- Bankers are incentivized to grow core deposits
- Minimal dependence on brokered deposits (5.9%)(2)
- Expecting to implement several new funding initiatives in 2023

Deposit Composition Over Time($M)

Deposit CAGR: 17%

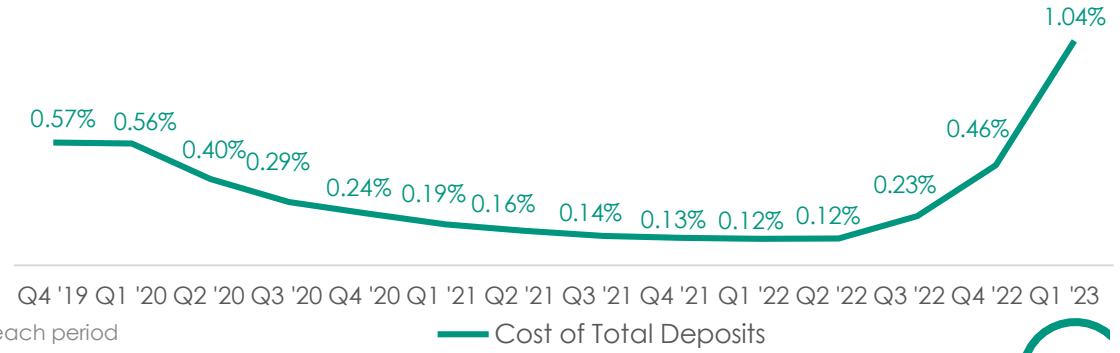
Demand Deposit CAGR: 16%



Cost of Deposits (%)

Previous Rate Cycle IB Deposit Beta: 37.5% (1)

Current Rate Cycle IB Deposit Beta: 31.3% (1)



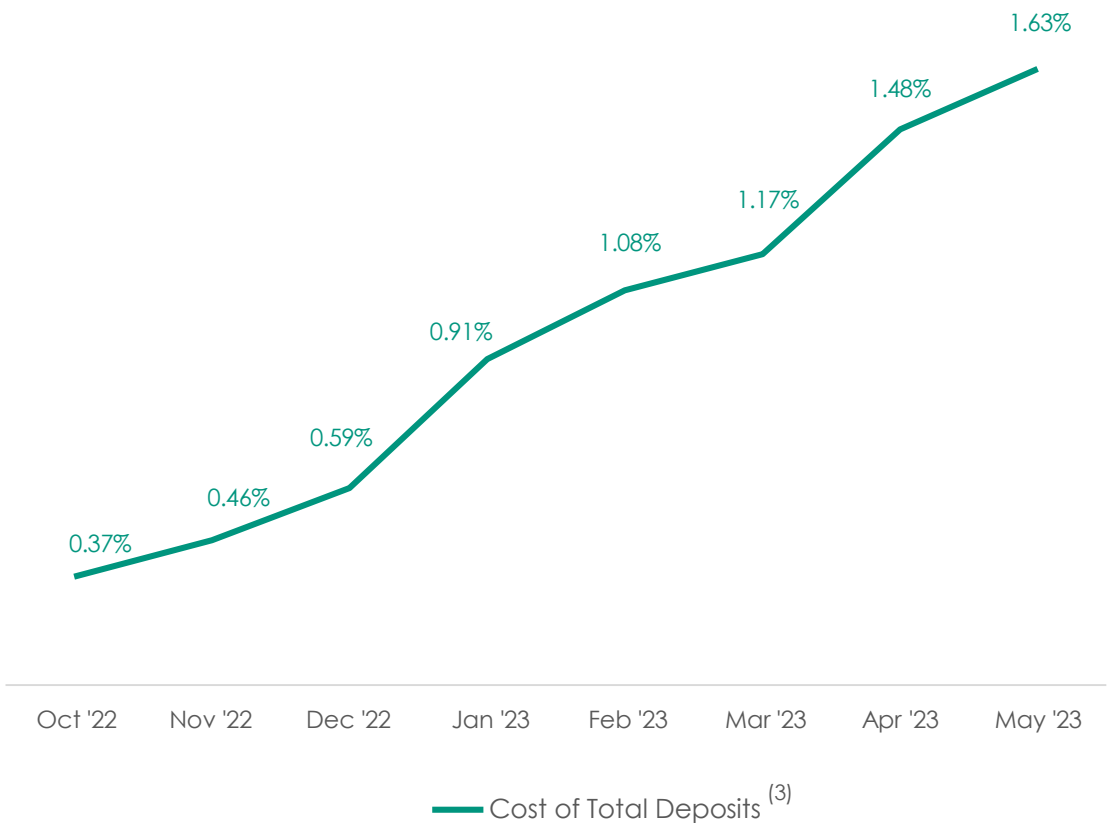
Source: Company documents; annual data as of 12/31 each year ended; quarterly data as of or for the three months ended each period
Note: Jumbo time deposits defined as all time deposits greater than $250,000
(1) Previous rate cycle interest bearing deposit beta defined as the change in cost of interest-bearing deposits divided by the change in upper fed funds target range between 12/13/16 and 7/31/19; current rate cycle interest bearing deposit beta defined as the change in cost of interest-bearing deposits divided by the change in upper fed funds target range between and 3/16/22 and 3/22/23
(2) Taken from Call Report RC-R item M.1.b.

Deposit Granularity

Deposit Portfolio Summary

- Deposits: **$1.4B**
- Uninsured Deposits: **20.7%**
- Average Deposit Size: **~$28,000**
- Total Deposit Accounts: **~50,000**
  - Commercial Accounts: **~7,100**
  - Personal Accounts: **~42,900**
- Current Rate Cycle IB Deposit Beta(1): **31.3%**
- Current Rate Cycle Total Deposit Beta(2): **20.3%**

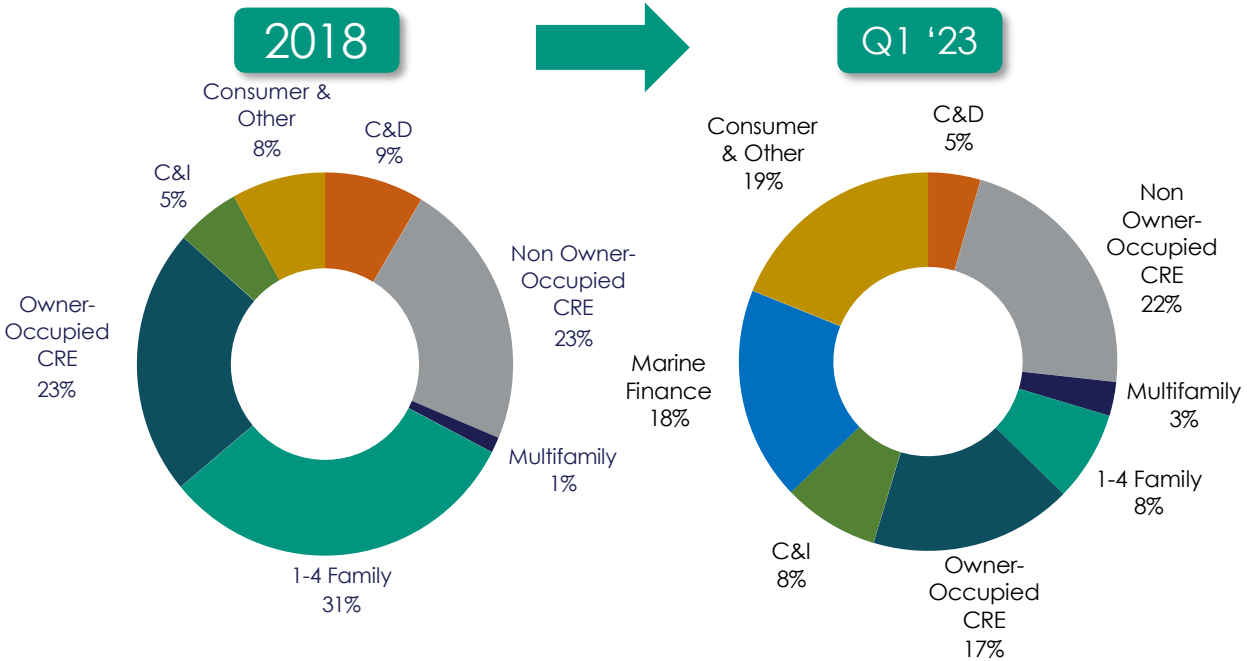
Monthly Cost of Deposits (%)



Source: Company documents; data for the three months ended 3/31/23; monthly data as of the end of each period shown
(1) Current rate cycle interest bearing deposit beta defined as the change in cost of interest bearing deposits divided by the change in upper fed funds target range between and 3/16/22 and 3/22/23
(2) Current rate cycle total deposit beta defined as the change in cost of total deposits divided by the change in upper fed funds target range between and 3/16/22 and 3/22/23
(3) Monthly cost of deposits shown on an annualized basis

Loan Portfolio

Loan Composition



Loan Portfolio	Amount	% of Total
C&D	$52	8.6 %
Non-Owner-Occupied CRE	137	22.7
Multifamily	8	1.3
1-4 Family	189	31.3
Owner-Occupied CRE	136	22.6
C&I	33	5.5
Marine Finance	0	0.0
Consumer & Other	49	8.0
Gross Loans & Leases	$604	100.0 %

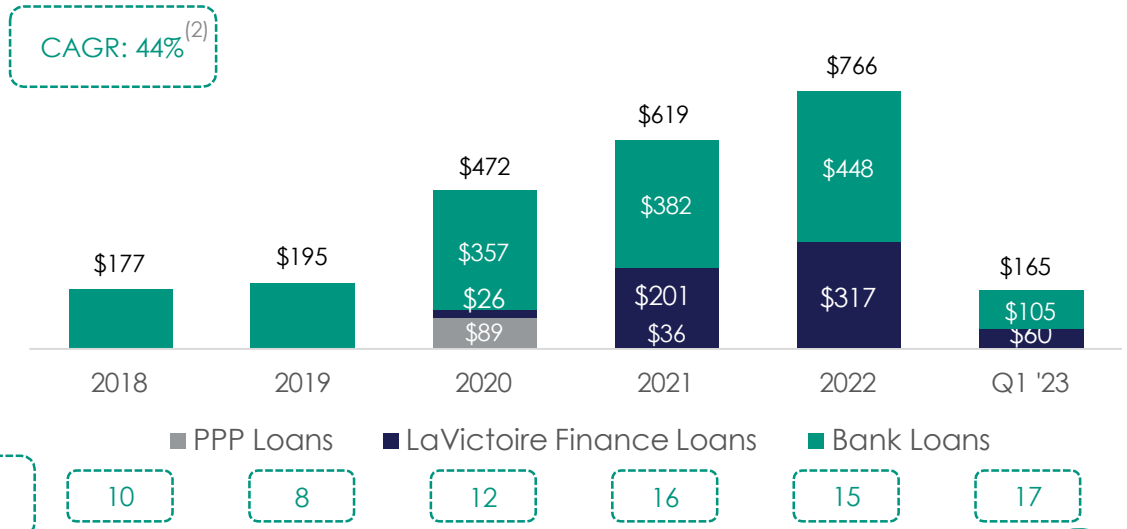
C&D: 57%
CRE: 207%

Loan Portfolio	Amount	% of Total
C&D	$63	4.5 %
Non-Owner-Occupied CRE	310	22.2
Multifamily	40	2.9
1-4 Family	107	7.7
Owner-Occupied CRE	241	17.3
C&I	115	8.2
Marine Finance	254	18.2
Consumer & Other	263	18.9
Gross Loans & Leases	$1,393	100.0 %

C&D: 46%
CRE: 259%

- Continued focus on providing credit to small and medium sized businesses
- No Shared National Credit Exposure and limited exposure to purchased and participated loans
- 16 commercial bankers throughout our footprint and 1 lender at LaVictoire Finance
- Continue to build out SBA, mortgage, government contracting, and marine finance lending verticals

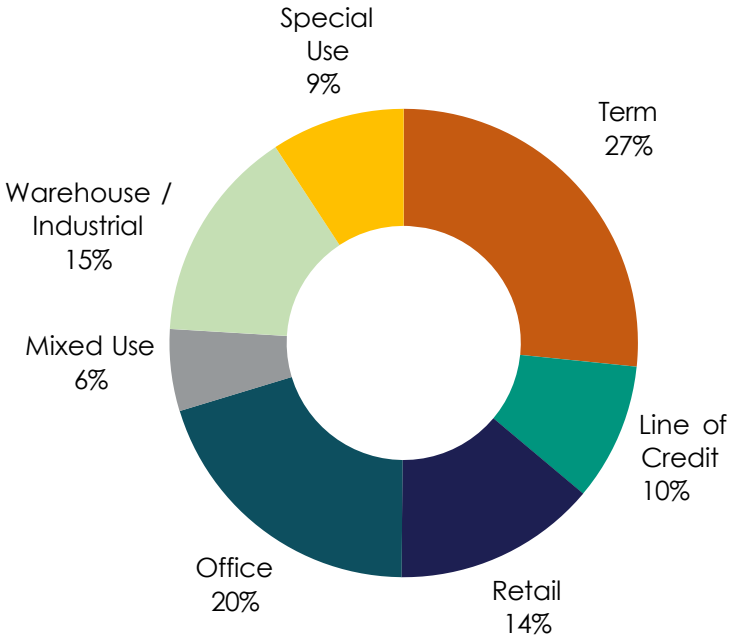
Loan Originations ($M)



Dollars in millions
Source: Company documents; annual data as of 12/31 each year ended; Q1 '23 data as of 3/31/23
(1) Number of lenders includes commercial bankers and marine finance
(2) CAGR calculated through 2022

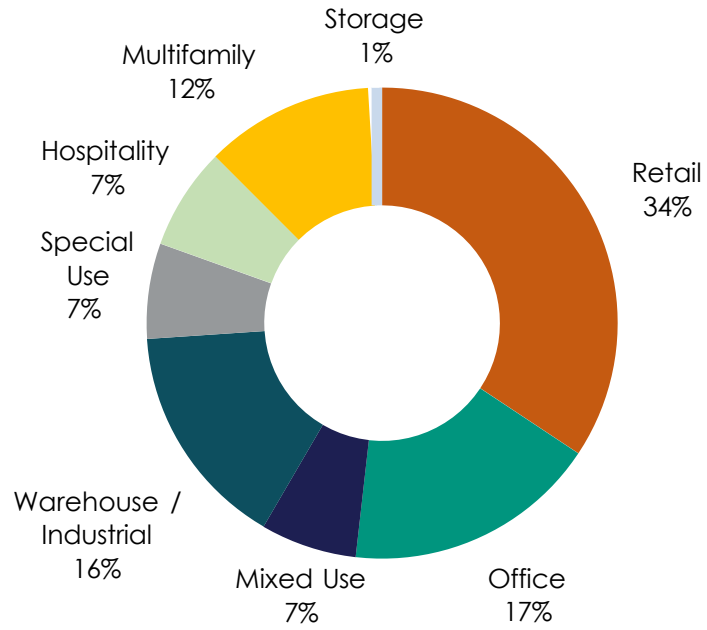
Loan Portfolio Detail

Commercial and Industrial Loans (%)



- Total C&I Loans: $115M
- Commercial Loans / Total Loans: 8.2%
- Largest Commercial Loan: $11.8M
- Average Commercial Loan Size: ~$174k
- Commercial Line Utilization: 31%

Investment Commercial Real Estate (%)



- Total CRE Loans: $551M
- Real Estate Loans / Total Loans: 40%
- Largest CRE Loan Size: $13.7M
- Average CRE Loan Size: ~$437k

Source: Company documents; data as of 3/31/23
Note: Commercial and industrial loans include commercial and industrial and owner occupied commercial real estate; commercial real estate loans include non owner occupied commercial real estate and multifamily loans

Office Exposure

Office Portfolio Maturity

Office Portfolio	Non-Owner Occupied	% of Total	Cumulative %
Maturing in 2023	1,653,324	2.7 %	2.7 %
Maturing in 2024	2,930,295	4.9	7.6
Maturing in 2025	13,600,730	22.6	30.2
Maturing in 2026	15,541,728	25.8	55.9
Maturing in 2027	10,311,042	17.1	73.0
Maturing in 2028 & Beyond	16,253,316	27.0	100
Total	60,290,436	100 %	100 %

Office Exposure Highlights

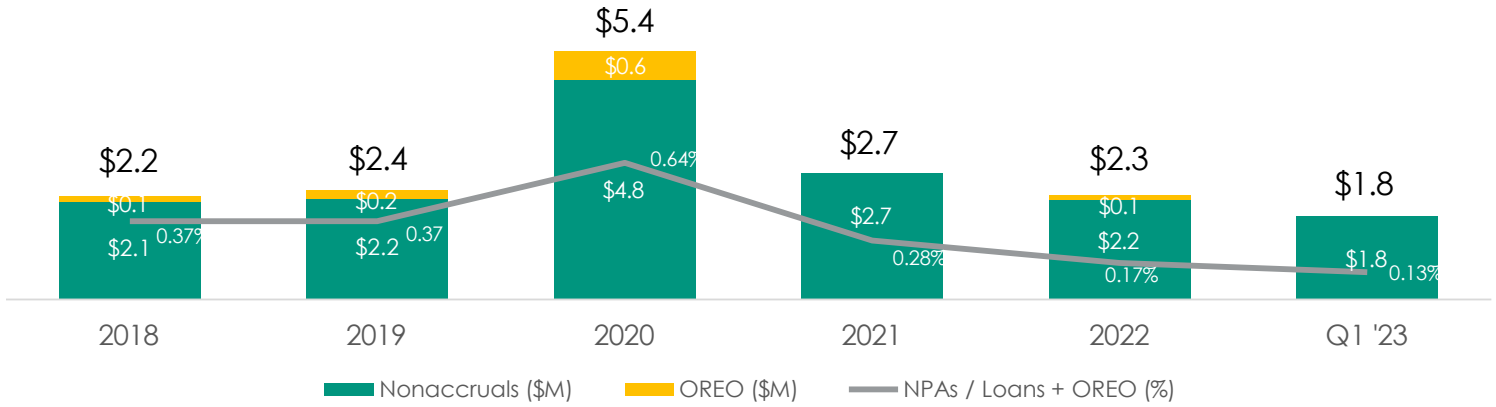
- Average professional office loan size
  - ➢ Non-Owner Occupied: ~$1.0M
- 30% of the total office portfolio matures by 2025
- Professional office space comprises 11% of total loans
- Substandard office loans / total office loans: 0%

Source: Company documents; data as of 3/31/23

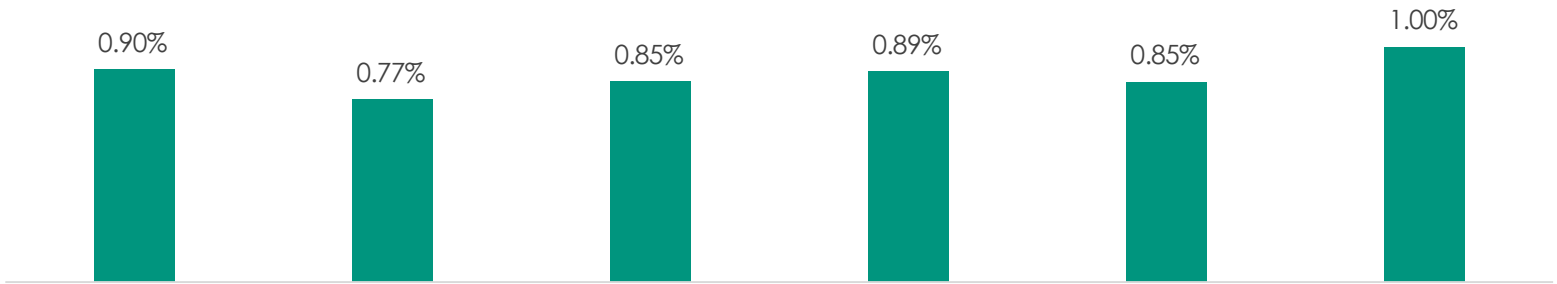
Asset Quality

- Comprehensive and conservative underwriting process
- Highly experienced bankers incentivized with equity ownership
- Commitment to a diverse loan portfolio while maintaining strong asset quality metrics
- Proactive approach to managing problem credits
- CECL was implemented on 1/1/23 with an additional one-time reserve of $2.1M

Nonperforming Assets by Type ($M)



Reserves / Loans (%)

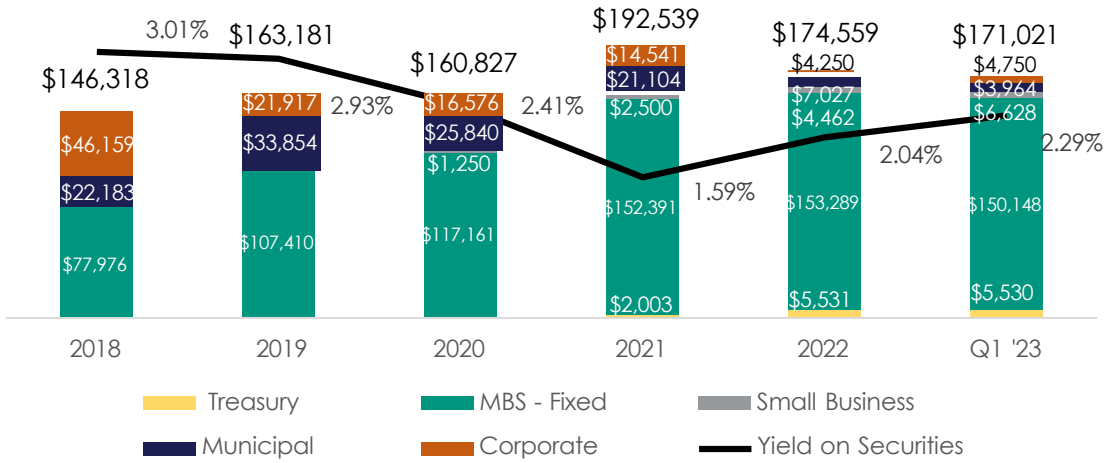


	2018	2019	2020	2021	2022	Q1 '23
NCOs / Avg. Loans	(0.05%)	0.18%	(0.09%)	(0.02%)	(0.05%)	0.02%

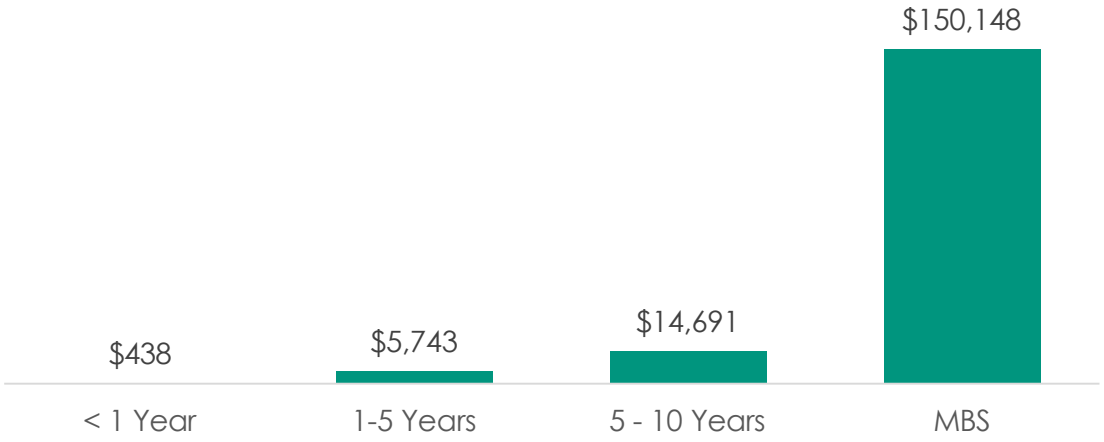
Source: Company documents; annual data as of 12/31 each year ended; quarterly data as of 3/31/23
Note: TDRs not included in NPAs balance

Securities Portfolio

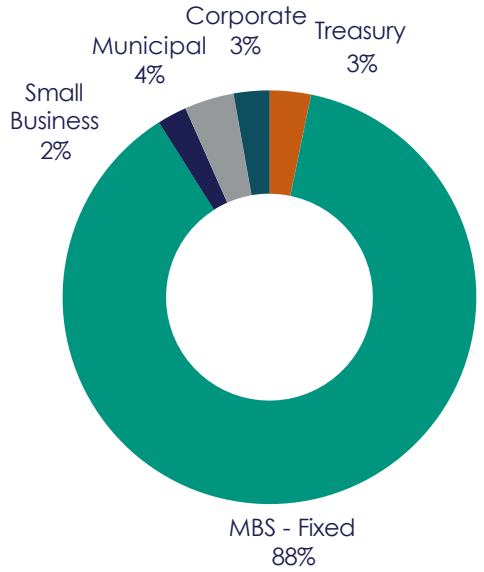
Securities Portfolio Attributes



Maturity Schedule ($000s)



Securities Portfolio Composition

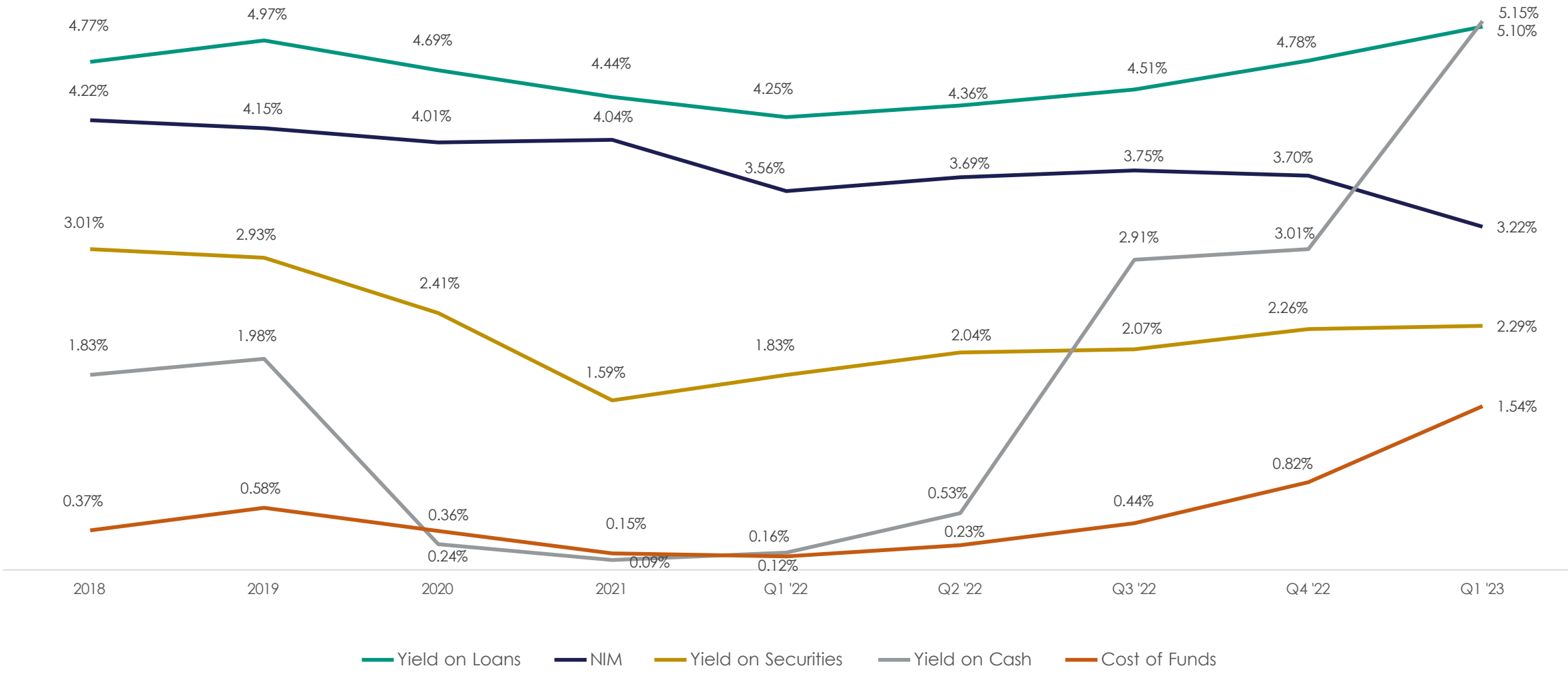


- Shifted to a more conservative bond portfolio in recent years
- Weighted average life of 6.8 years, and effective duration of 5.2 years
- Weighted average book yield of 1.90%

Security	Book Value ($000)	Book Yield	% of Total
Treasury	$5,530	2.50 %	3.23 %
MBS - Fixed	150,148	1.72	87.80
Small Business	3,964	2.75	2.32
Municipal	6,628	3.16	3.88
Corporate	4,750	4.28	2.78
Total	$171,021	1.90 %	100 %

Source: Company documents; data as of 3/31/23; historical data as of 12/31 each year ended

Yield and Cost Analysis



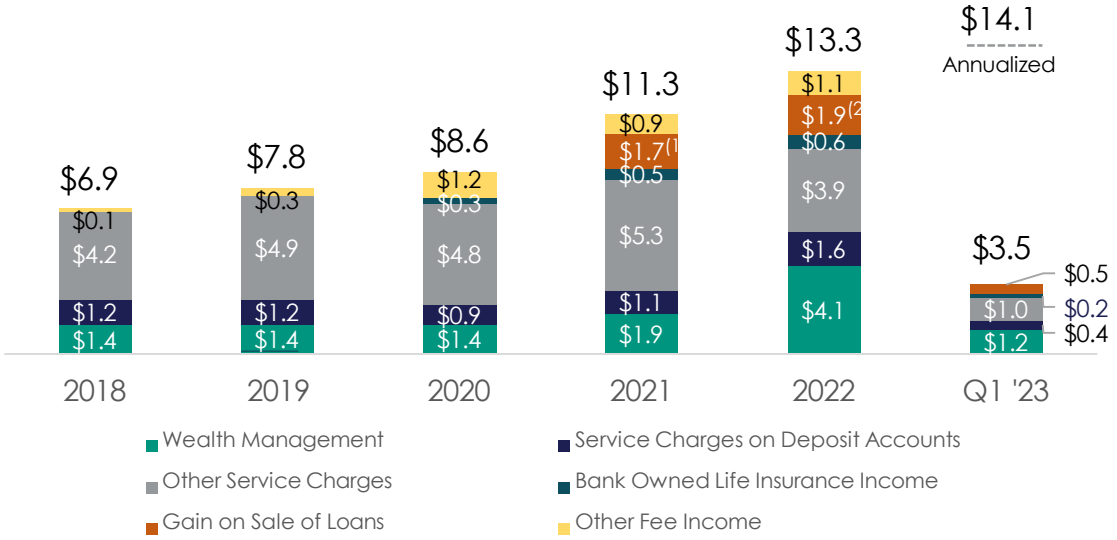
Source: Company documents; annual data for the twelve months ended ended each year; quarterly data for the three months ended each quarter
(1) Yield on cash calculated as yield on balances in depository institutions

Diversified Revenue Sources

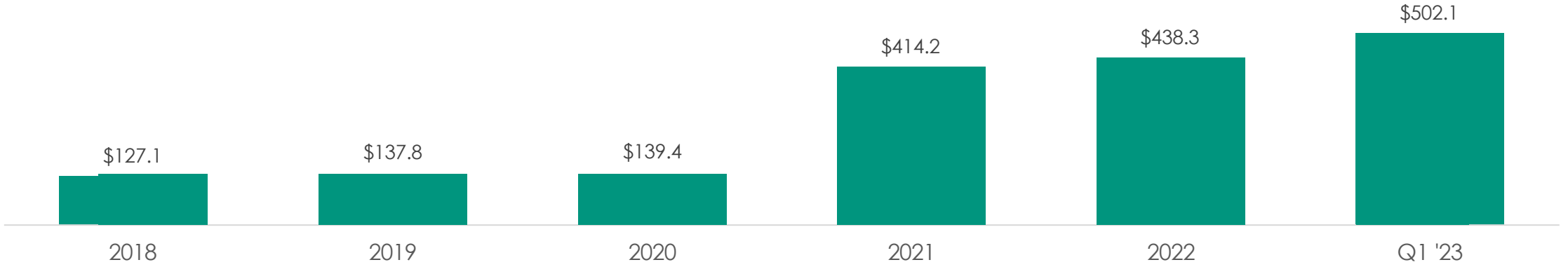
Noninterest Income Highlights

- Recent expansion of Wealth Management division with several new hires in 2021 and 2022
- 11 professionals dedicated to Wealth Management services
- Investment Management
  - Personal Managed Portfolios
  - Institutional Managed Portfolios
- Trust services and estate planning
- Marine loan sales began Q2 2021
- Investments in Bank Owned Life Insurance in 2021 ($10M) and 2022 ($24M)
- SBA lending team hired in February 2022
- Secondary mortgage department built out in 2020 and began selling loans Q2 2021

Historical Fee Income Sources ($M)



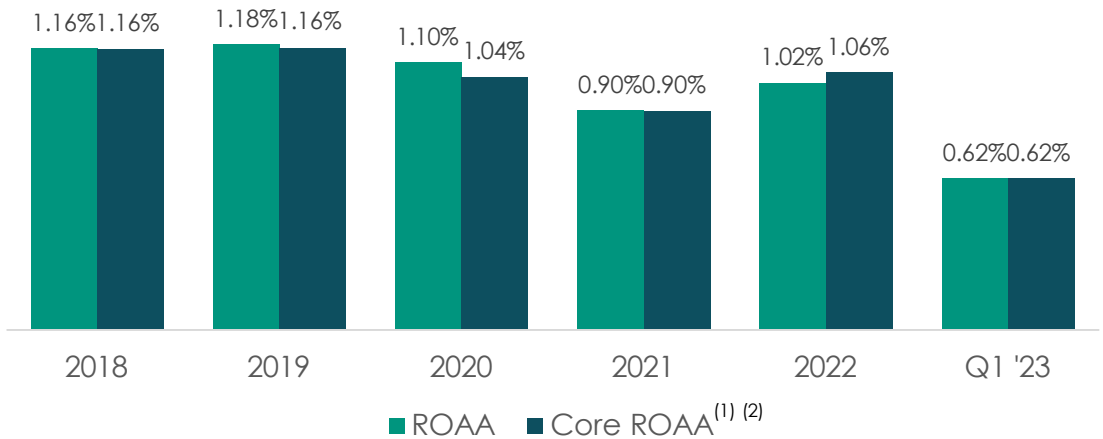
Wealth Assets Under Management ($M)



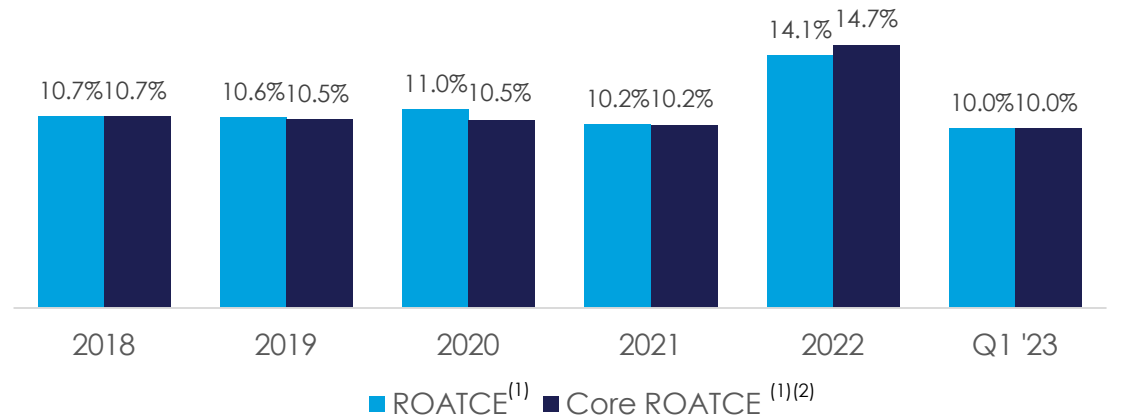
Source: Company documents; annual data as of or for the year ended each period; quarterly data as of or for the three months ended 3/31/23
Note: Other fee income includes gain (loss) on sale of AFS securities, gain (loss) on sale of bank premises and equipment, and other operating income
(1) 2021 gain on sale of loans includes $1.0M of marine loans and $636k of mortgage loans
(2) 2022 gain on sale of loans includes $557k of marine loans, $840k of marine LSRs, $303k of mortgage loans, and $175k of SBA loans

Consistent Profitability Metrics

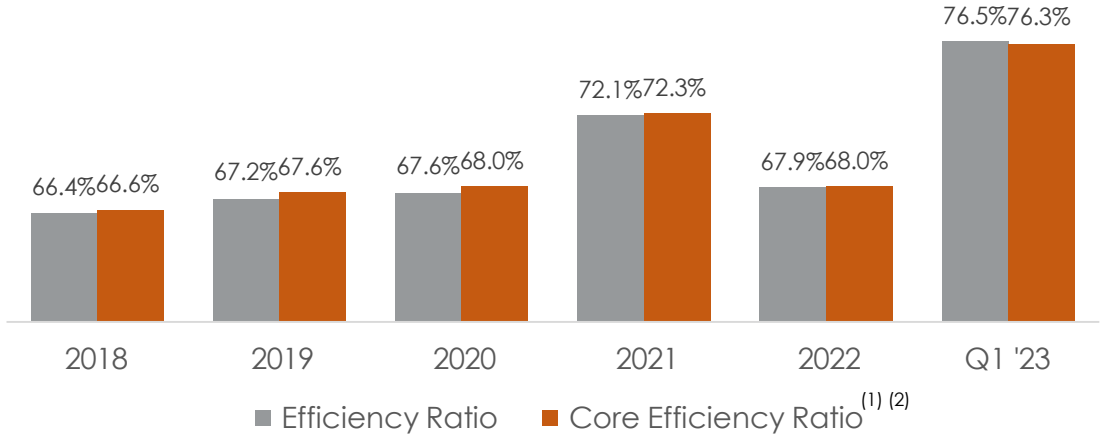
Return on Average Assets (ROAA)(%)



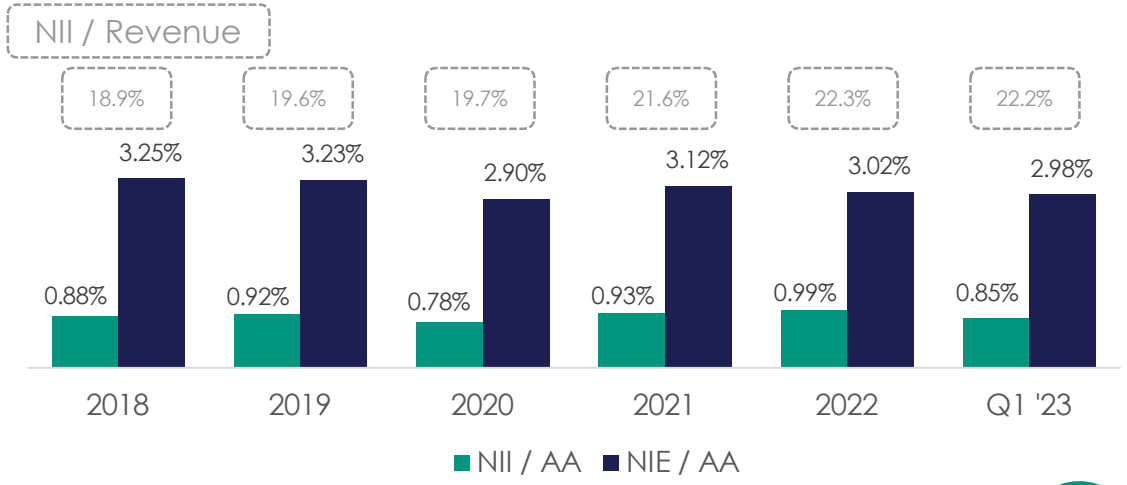
Return on Average Tangible Common Equity (ROATCE) (%)



Efficiency Ratio (%)



NII / AA and NIE / AA (%)



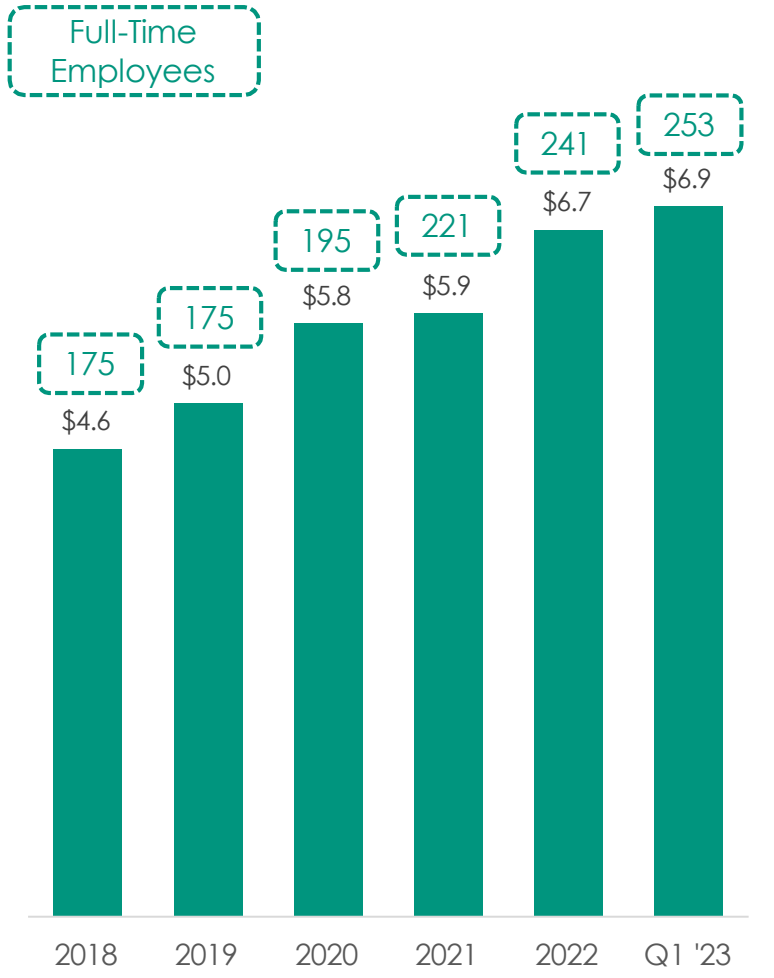
Source: Company documents; annual data as of 12/31 each year ended; quarterly data as of the three months ended 3/31/23

(1) See appendix for reconciliation of non-GAAP metrics

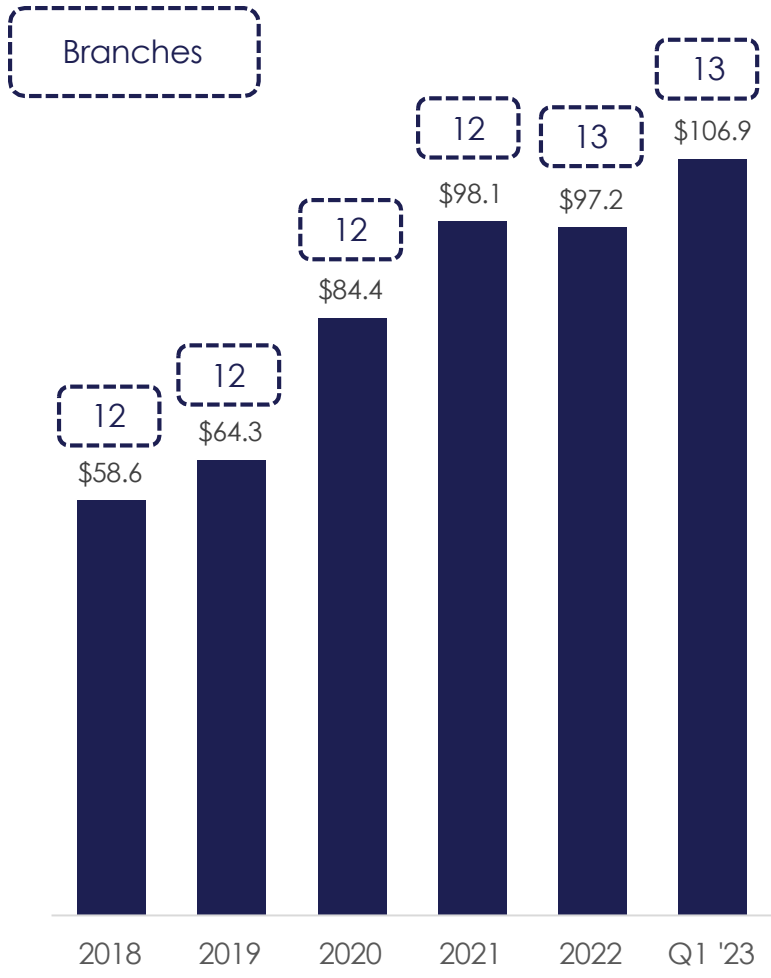
(2) Core Income defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items

Operating Leverage

Assets / Full-Time Employees ($M)



Deposits / Branch ($M)



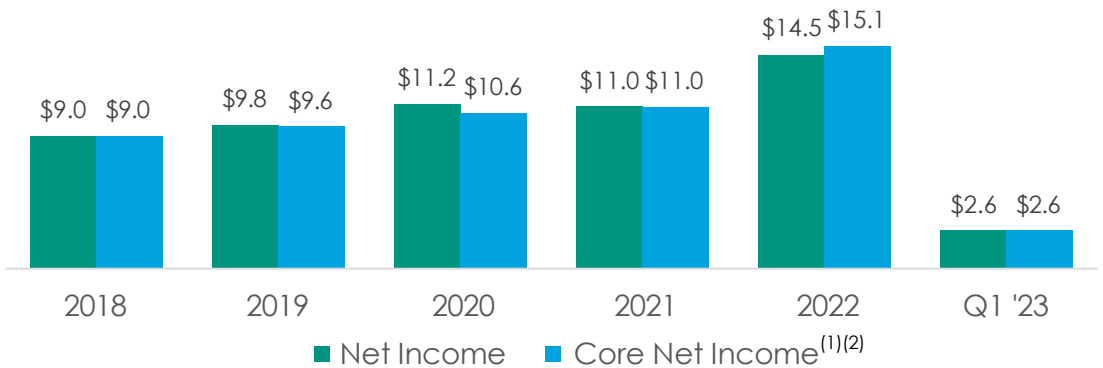
Revenue and NIE ($M)



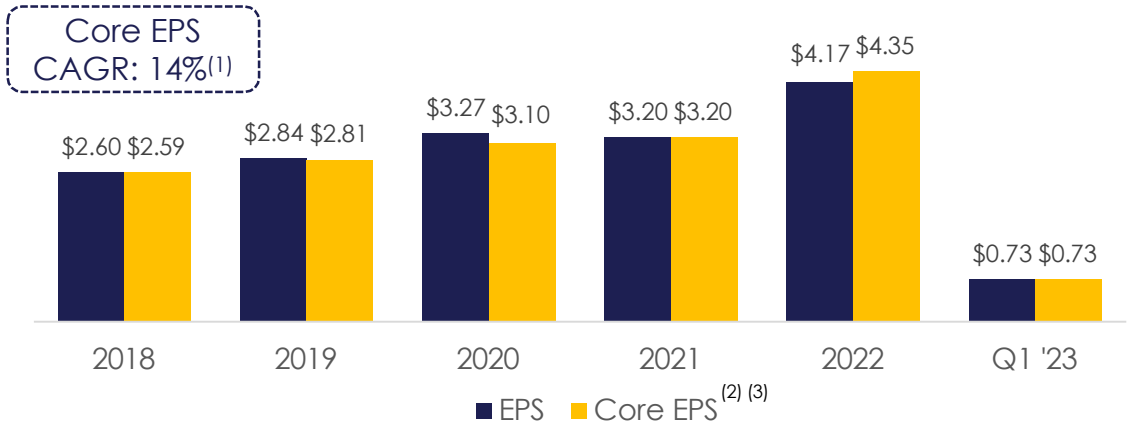
Source: Company documents; data as of 12/31 each year ended; quarterly data as of 3/31/23
(1) Q1 '23 revenue and noninterest expense data shown on an annualized basis

Earnings, Book Value and Dividends

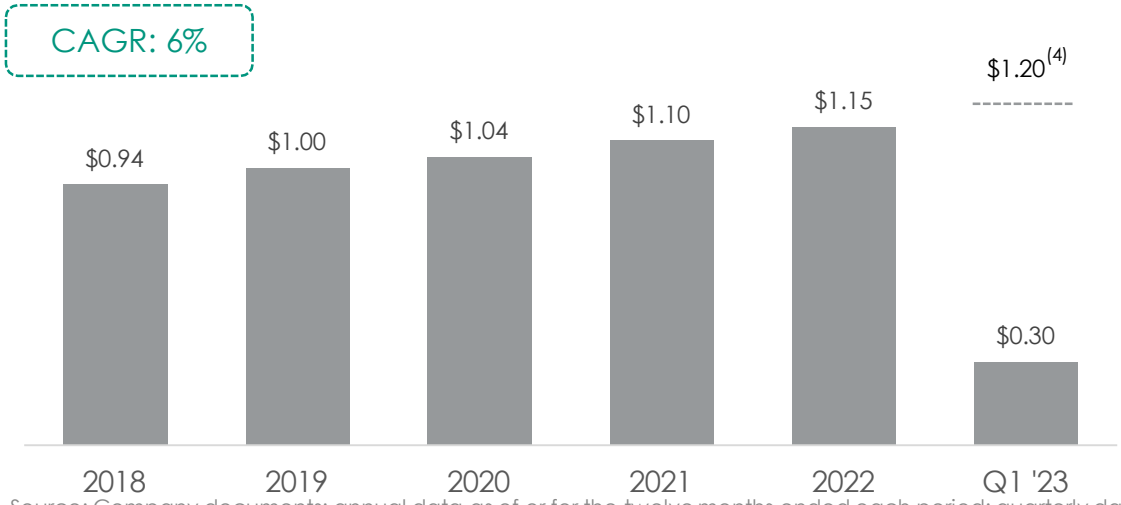
Net Income ($M)



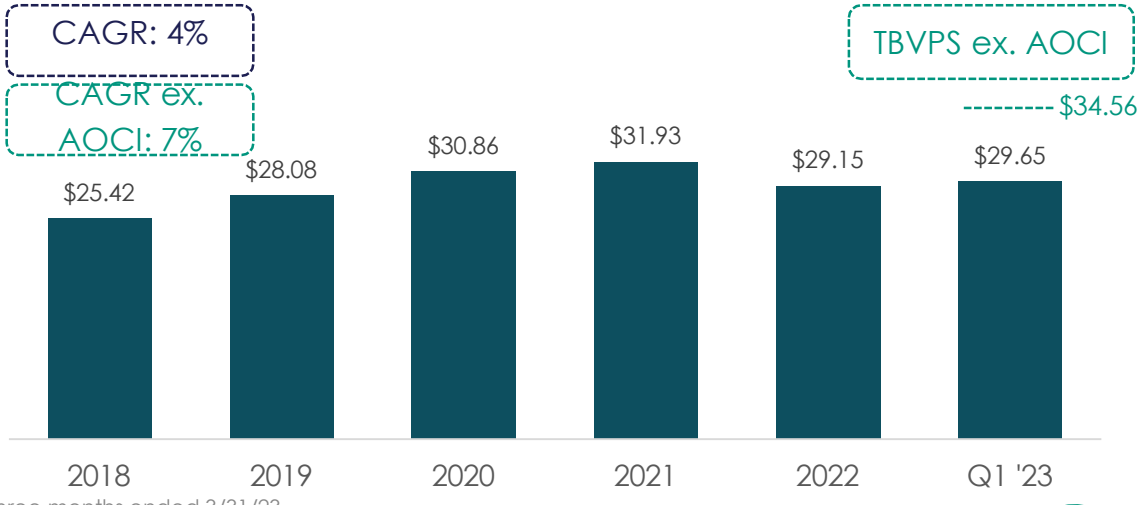
Earnings per Share ($)



Dividend per Share ($)



Tangible Book Value per Share ($)(2)

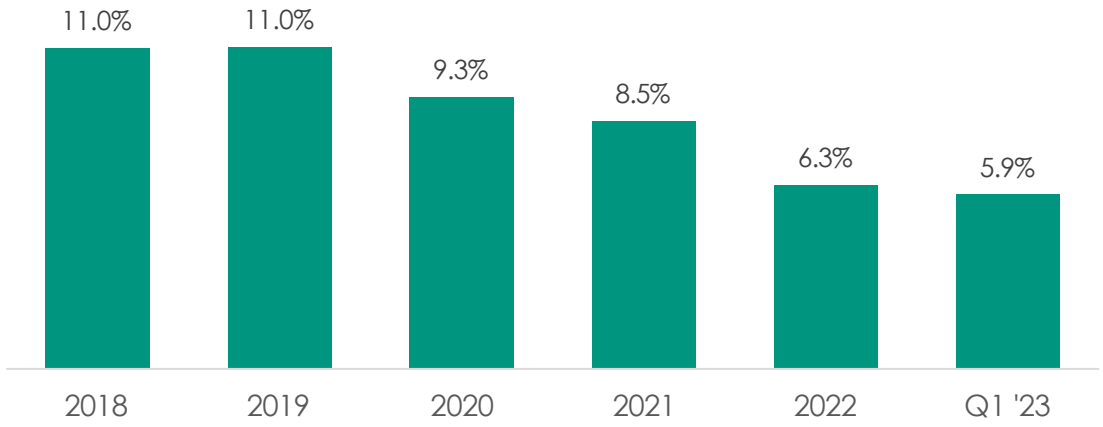


Source: Company documents; annual data as of or for the twelve months ended each period; quarterly data as of or for the three months ended 3/31/23

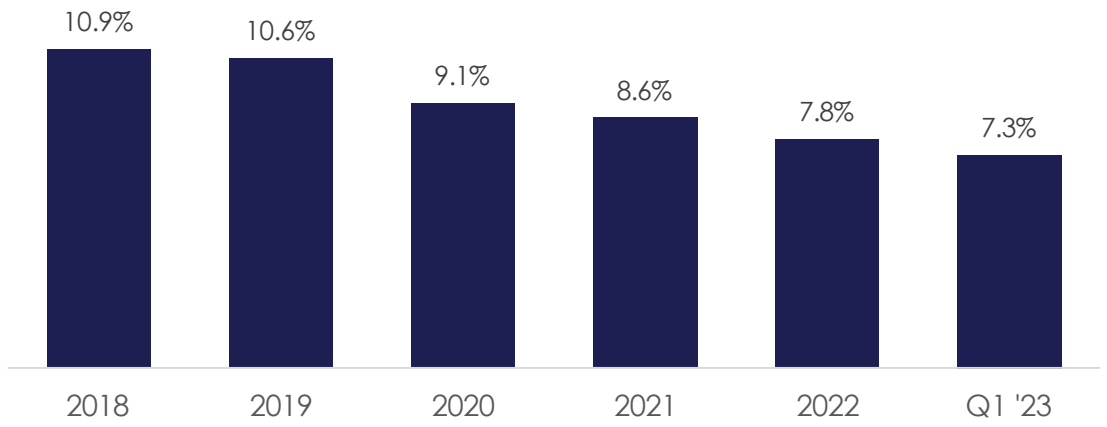
(1) Core EPS CAGR shown through 2022
(2) See appendix for reconciliation of non-GAAP metrics
(3) Core Income defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items
(4) Metric shown on an annualized basis

Capital Ratios

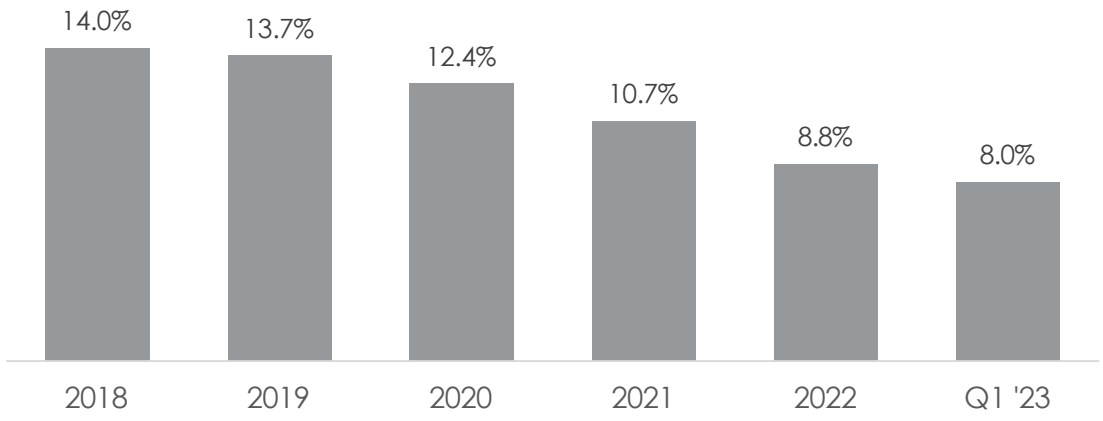
Tangible Common Equity / Tangible Assets (%)[1]



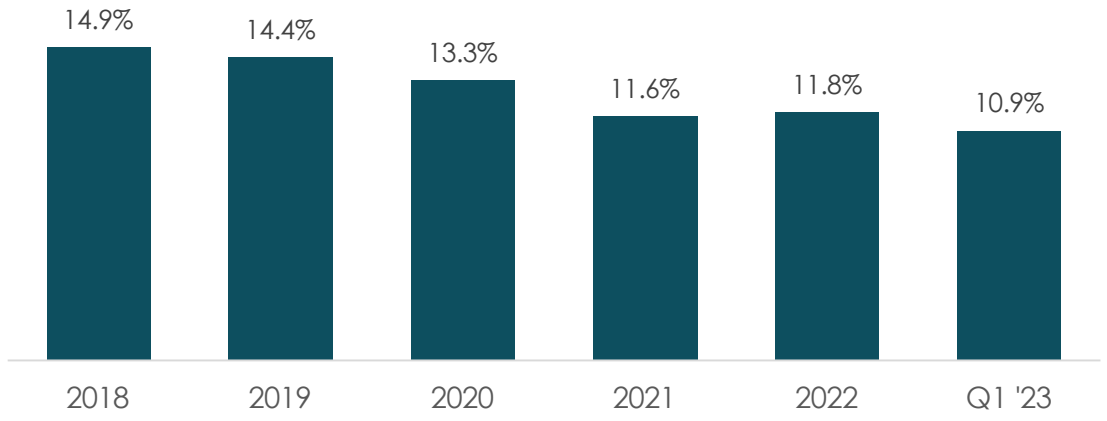
Leverage Ratio (%)



CET1 Ratio (%)



Total Risk-Based Capital Ratio (%)



Source: Company documents; data as of 12/31 each year ended; quarterly data as of 3/31/23
(1) See appendix for reconciliation of non-GAAP metrics

3. Appendix

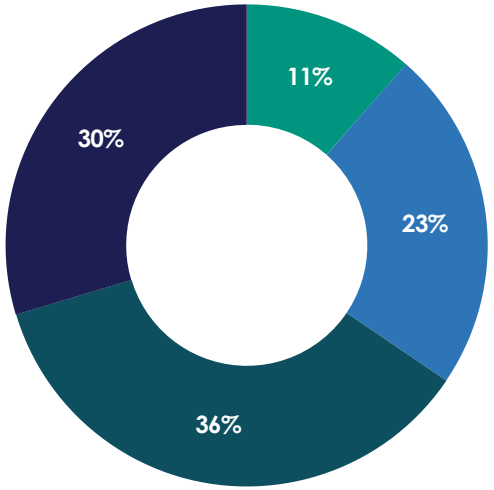
Funding and Sources of Liquidity

- $6.5M cash at the holding company as of March 31, 2023
- Dividend capacity from the bank to the holding company of $32.4M as of March 31, 2023
- Unused lines of credit to purchase federal funds from correspondent banks totaling $78M
- $124M remaining credit availability at FHLB as of March 31, 2023; $345M of total lendable collateral value pledged
- Total lendable collateral value pledged of $345M at March 31, 2023
- No holding company lines of credit or revolving lines
- 17% total wholesale borrowings to total assets ratio as of March 31, 2023; policy threshold is 25%
- 5% total brokered deposits to total assets ratio as of March 31, 2023; policy threshold is 10%

Source: Company documents; data as of 3/31/23
(1) See appendix for reconciliation of non-GAAP metrics
(2) Assumes AOCI adjustments related to market valuations on securities and related hedges are included for regulatory capital purposes

Interest Rate Sensitivity

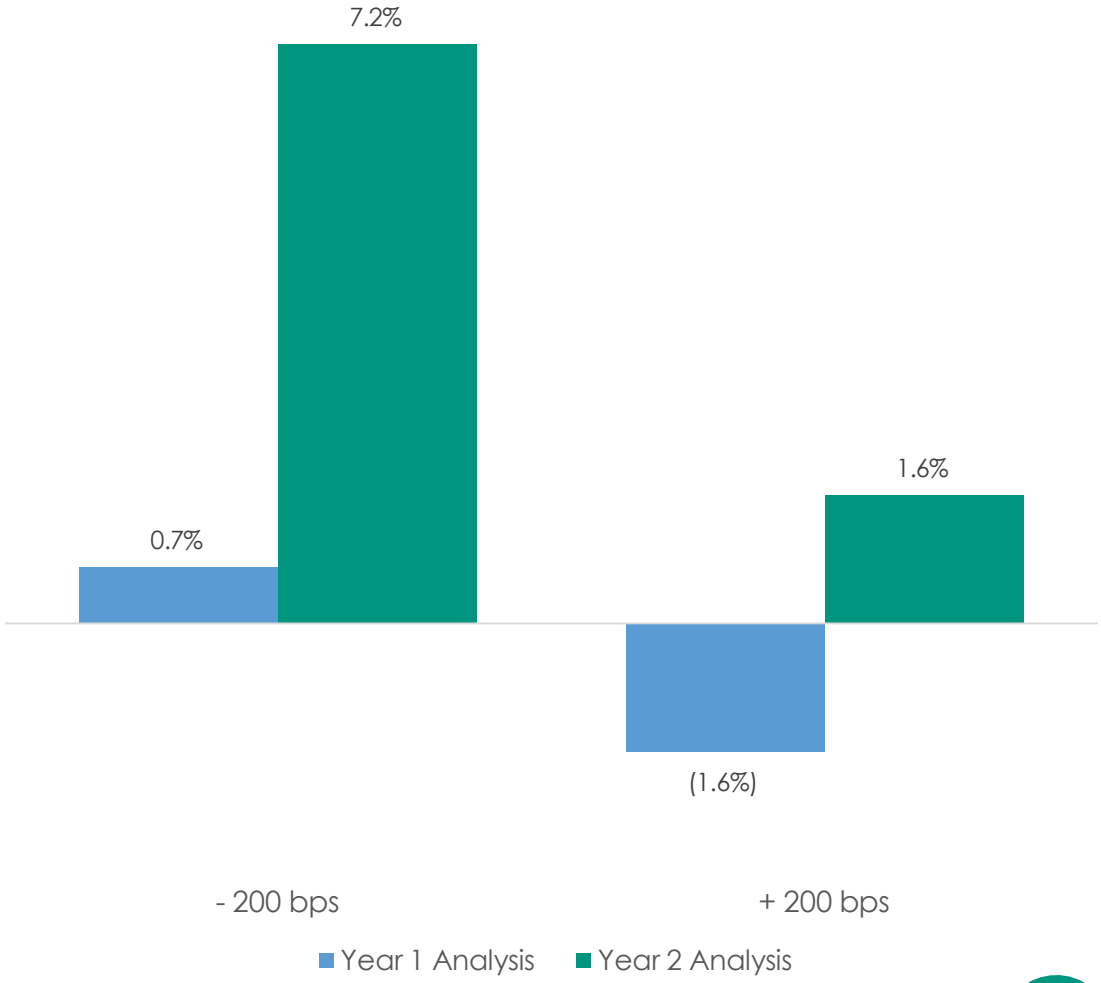
Variable vs. Fixed Rate Loans



- Fixed Rate Loans - Maturity < 3 Years
- Fixed Rate Loans - Maturity 3-5 Years
- Fixed Rate Loans - Maturity > 5 Years
- Variable Rate Loans

- $342M of total variable rate loans
- $812M of total fixed rate loans
  - $398M of fixed rate loans mature within 5 years

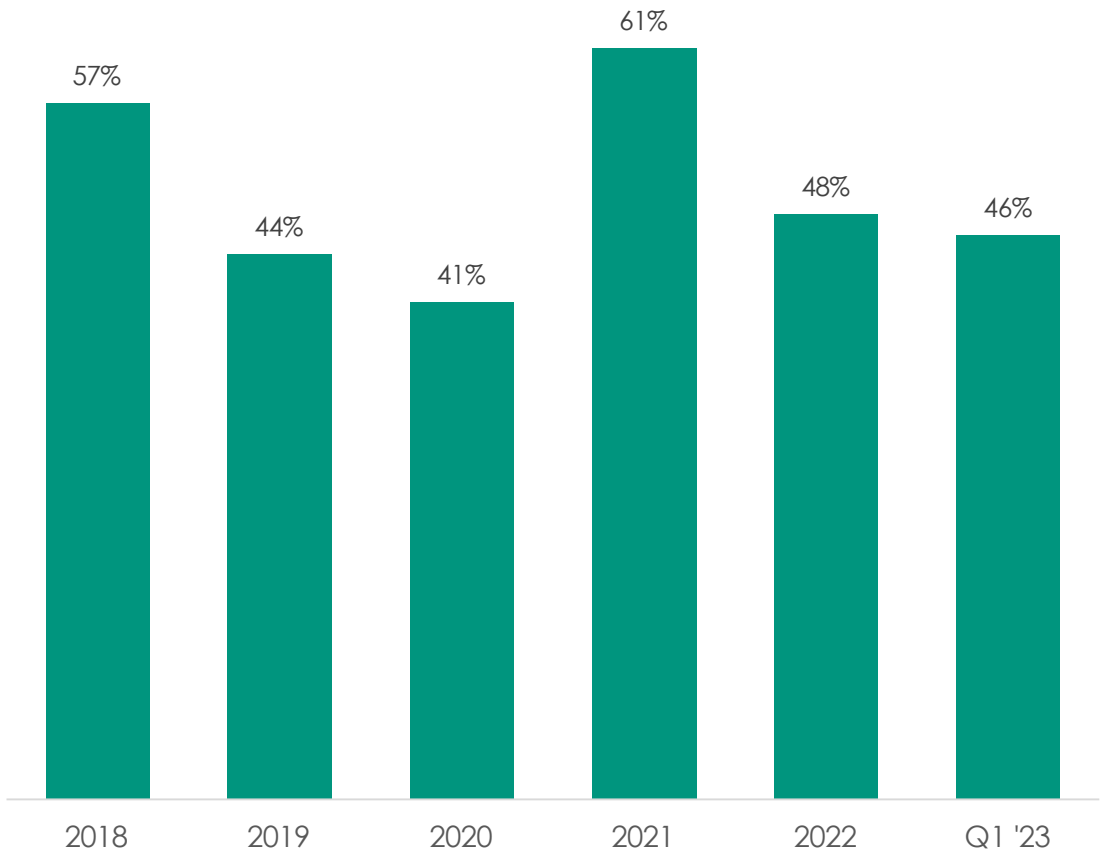
Shock Analysis: Change in Net Interest Income



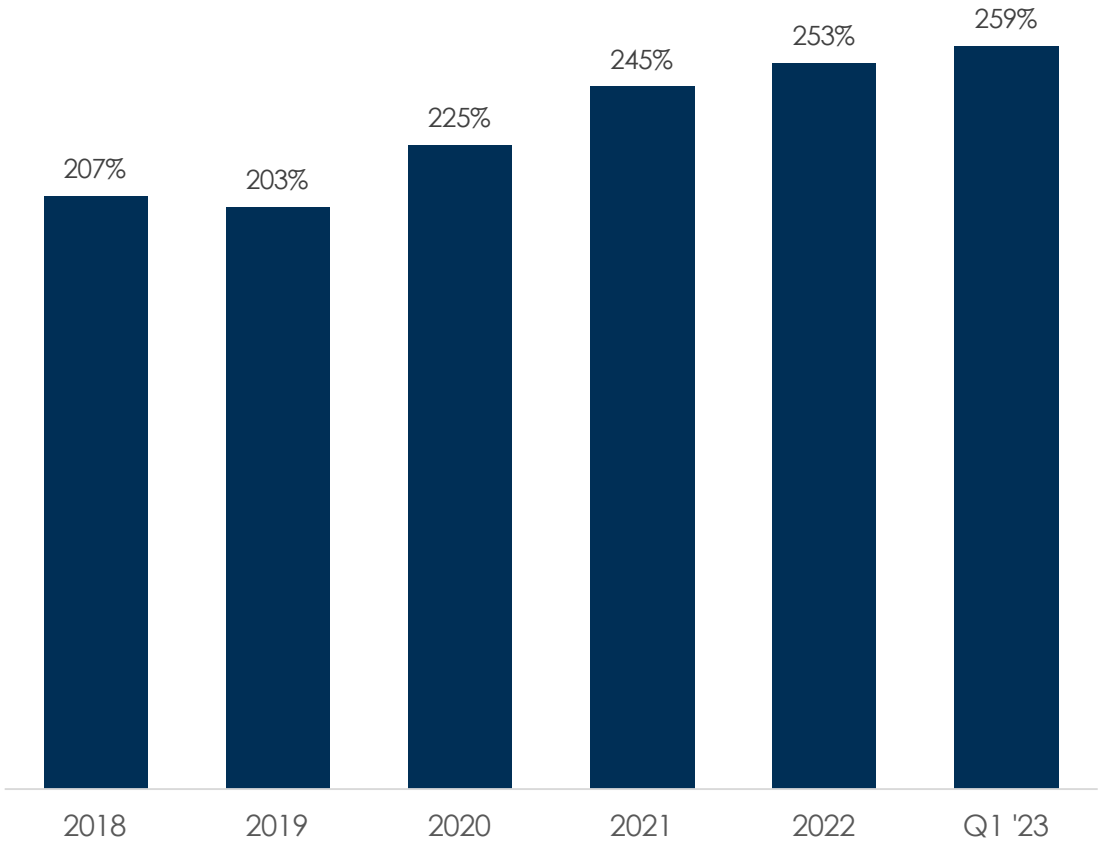
Source: Company documents; data as of 3/31/23

Loan Concentration Ratios

Bank C&D Ratio Over time (%)



Bank CRE Ratio Over time (%)



Source: Company documents; annual data as of 12/31 each year ended; quarterly data as of 3/31/23

Historical Financials

	As of and for the Year ended,					YoY Growth				March 31,	June 30,	September 30,	December 31,	March 31,
	2018	2019	2020	2021	2022	'19 / '18	'20 / '19	'21 / '20	'22 / '21	2022	2022	2022	2022	2023
Income Statement Data:														
Net Interest Income	$29.4	$31.2	$35.6	$41.0	$49.2	6.1 %	14.1 %	15.1 %	20.0 %	$11.1	$11.9	$12.9	$13.3	$12.6
Noninterest Income	6.9	7.6	7.9	11.3	14.1	11.2	3.4	43.2	24.8	3.2	3.9	3.9	3.1	3.5
Noninterest Expense	25.2	26.8	29.4	38.0	43.1	6.3	10.0	29.2	13.2	9.9	10.5	11.1	11.5	12.3
Provision Expense	0.8	0.6	1.5	1.5	1.8	(19.0)	131.6	1.8	23.4	0.5	0.4	0.0	0.9	0.7
PTPP Income [1]	11.1	12.1	14.1	14.2	20.2	9.0	16.6	1.2	42.1	4.5	5.3	5.7	4.8	3.8
Core PTPP Income [1] [2]	12.2	13.6	15.9	15.8	22.8	11.3	16.8	(0.7)	44.7	5.0	6.0	6.4	5.4	4.3
Net Income	9.0	9.8	11.2	11.0	14.5	8.4	14.5	(1.4)	31.8	3.3	4.0	4.1	3.2	2.6
Core Net Income [1] [2]	9.0	9.6	10.6	11.0	15.1	7.4	9.8	3.9	37.6	3.3	4.0	4.7	3.2	2.6
Balance Sheet Data (Period End):														
Assets	$800	$877	$1,130	$1,303	$1,617	9.7 %	28.8 %	15.3 %	24.1 %	$1,374	$1,403	$1,473	$1,617	$1,757
Gross Loans	607	645	836	987	1,324	6.3	29.7	18.0	34.2	1,022	1,121	1,202	1,324	1,401
Deposits	703	772	1,013	1,177	1,264	9.7	31.3	16.2	7.4	1,231	1,232	1,254	1,264	1,390
Loans / Deposits	86.3 %	83.6 %	82.6 %	83.8 %	104.7 %	--	--	--	--	83.0 %	91.0 %	95.8 %	104.7 %	100.8 %
Tangible Common Equity [1]	$88	$96	$105	$110	$102	10.0	9.1	5.0	(7.8)	$102	$99	$99	$102	$102
Performance Ratios:														
Branches	12	12	12	12	13	-- %	-- %	-- %	-- %	12	13	13	13	13
Deposits / Branch	$58.6	$64.3	$84.4	$98.1	$97.2	9.7	31.3	16.2	(0.9)	$102.6	$94.7	$96.5	$97.2	$106.9
FTE Employees	175	175	195	221	241	0.0	11.4	13.3	9.0	224	227	235	241	253
Assets / FTE Employee	$4.6	$5.0	$5.8	$5.9	$6.7	9.7	15.6	1.7	13.8	$6.1	$6.2	$6.3	$6.7	$6.9
Net Interest Margin	4.06 %	4.00 %	3.74 %	3.59 %	3.67 %	--	--	--	--	3.56 %	3.69 %	3.75 %	3.70 %	3.22 %
NII / Avg. Assets	0.88	0.92	0.78	0.93	0.99	--	--	--	--	0.97	1.12	1.07	0.81	0.85
NIE / Avg. Assets	3.25	3.23	2.90	3.12	3.02	--	--	--	--	2.97	3.03	3.08	2.99	2.93
Efficiency Ratio	65.9	67.0	67.6	72.1	67.8	--	--	--	--	68.9	66.6	65.7	70.3	76.2
ROAA	1.16	1.18	1.10	0.90	1.02	--	--	--	--	0.97	1.16	1.12	0.84	0.62
Core ROAA [1]	1.16	1.16	1.04	0.90	1.06	--	--	--	--	0.97	1.16	1.28	0.84	0.62
Core PTPP ROAA [1] [2]	1.58	1.64	1.57	1.29	1.60	--	--	--	--	1.51	1.73	1.76	1.40	1.03
ROATCE [1]	10.7	10.6	11.0	10.2	14.1	--	--	--	--	11.9	15.8	15.9	12.8	10.0
Core ROATCE [1] [2]	10.7	10.5	10.5	10.2	14.7	--	--	--	--	11.9	15.9	18.2	12.8	10.0
EPS	$2.60	$2.84	$3.27	$3.20	$4.17	9.2	15.1	(2.1)	30.3	$0.94	$1.14	$1.17	$0.92	$0.73
Tangible Book Value Per Share [1]	25.42	28.08	30.86	31.93	29.15	10.5	9.9	3.5	(8.7)	29.37	28.58	28.22	29.15	29.65
Capital Ratios														
TCE / TA [1]	11.0 %	11.0 %	9.3 %	8.5 %	6.3 %	-- %	-- %	-- %	-- %	7.4 %	7.1 %	6.7 %	6.3 %	5.9 %
Leverage Ratio	10.9	10.6	9.1	8.6	7.8	--	--	--	--	8.4	8.3	8.1	7.8	7.3
CET1 Ratio	14.0	13.7	12.4	10.7	8.8	--	--	--	--	10.2	9.7	9.4	8.8	8.0
Total Capital Ratio	14.9	14.4	13.3	11.6	11.8	--	--	--	--	11.9	11.3	11.0	11.8	10.9

Source: Company documents
Dollars in millions

(1) See appendix for reconciliation of non-GAAP metrics

(2) Core Income defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items

Eagle Financial Services, Inc.

Non-GAAP Reconciliation

Figures in millions except share data	As of and for the Year Ended, December 31, 2018	2019	2020	2021	2022	As of and for the Quarter Ended, March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
PTPP Income										
Net Interest Income (GAAP)	$29.4	$31.2	$35.6	$41.0	$49.2	$11.1	$11.9	$12.9	$13.3	$12.6
Plus: Noninterest Income	6.9	7.6	7.9	11.3	14.1	3.2	3.9	3.9	3.1	3.5
Total Revenue (Non-GAAP)	$36.3	$38.8	$43.5	$52.3	$63.3	$14.4	$15.8	$16.8	$16.4	$16.2
Less: Noninterest Expense	25.2	26.8	29.4	38.0	43.1	9.9	10.5	11.1	11.5	12.3
PTPP Income (Non-GAAP)	$11.1	$12.1	$14.1	$14.2	$20.2	$4.5	$5.3	$5.7	$4.8	$3.8
Core Net Income										
Net Income (GAAP)	$9.0	$9.8	$11.2	$11.0	$14.5	$3.3	$4.0	$4.1	$3.2	$2.6
Less: Realized Gain on Securities	0.0	(0.0)	0.7	0.0	(0.7)	0.0	0.0	(0.7)	0.0	0.0
Less: Gain (loss) on Sale of Bank Premises	0.0	0.1	0.0	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0
** (1 - Effective Tax Rate)*	12.7%	15.6%	16.1%	13.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.2%
Core Net Income (Non-GAAP)	$9.0	$9.6	$10.6	$11.0	$15.1	$3.3	$4.0	$4.7	$3.2	$2.6
Average Diluted Share Count (GAAP)	3,467,667	3,438,410	3,417,543	3,440,080	3,482,254	3,472,332	3,479,591	3,487,555	3,489,764	3,522,431
Core Earnings Per Share (Non-GAAP)	$2.59	$2.81	$3.10	$3.20	$4.35	$0.94	$1.15	$1.34	$0.92	$0.73
Core PTPP Income										
Core Net Income (Non-GAAP)	$9.0	$9.6	$10.6	$11.0	$15.1	$3.3	$4.0	$4.7	$3.2	$2.6
Plus: Tax Expense Attributable to Core Income	1.1	1.5	1.7	1.5	2.7	0.6	0.7	0.8	0.6	0.4
Plus: Provision for Taxes	1.3	1.8	2.1	1.8	3.2	0.7	0.9	0.9	0.7	0.5
Plus: Provision for Loan Losses	0.8	0.6	1.5	1.5	1.8	0.5	0.4	0.0	0.9	0.7
Core PTPP Income (Non-GAAP)	$12.2	$13.6	$15.9	$15.8	$22.8	$5.0	$6.0	$6.4	$5.4	$4.3
Core Efficiency Ratio										
Total Noninterest Expense (GAAP)	$25.2	$26.8	$29.4	$38.0	$43.1	$9.9	$10.5	$11.1	$11.5	$12.3
Less: Other real estate owned expense	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Loss (Gain) on other real estate owned	0.9	0.4	(0.1)	0.2	0.0	0.0	0.0	0.0	0.0	(0.0)
Operating Expense (Non-GAAP)	24.1	26.3	29.6	37.8	43.0	9.9	10.5	11.1	11.5	12.3
Net Interest Income (GAAP)	29.4	31.2	35.6	41.0	49.2	11.1	11.9	12.9	13.3	12.6
Total Noninterest Income (GAAP)	6.9	7.8	8.6	11.3	14.1	3.2	3.8	3.2	3.1	3.5
Less: Gain (loss) on sale of securities	0.0	0.0	0.7	0.0	0.0	0.0	0.0	(0.7)	0.0	0.0
Less: Life Insurance proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Gain (loss) on sale and disposal of bank premises	0.0	0.1	0.0	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0
Operating Revenue (Non-GAAP)	36.3	38.8	43.5	52.3	63.3	14.4	15.8	16.8	16.4	16.2
Core Efficiency Ratio (Non-GAAP)	66.6%	67.6%	68.0%	72.3%	68.0%	69.0%	66.7%	65.9%	70.4%	76.3%
Tangible Assets										
Total Assets (GAAP)	$800	$877	$1,130	$1,303	$1,617	$1,374	$1,403	$1,473	$1,617	$1,757
Less: Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less :Other Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible Assets (Non-GAAP)	$800	$877	$1,130	$1,303	$1,617	$1,374	$1,403	$1,473	$1,617	$1,757
Tangible Common Equity										
Common Equity (GAAP)	$87.6	$96.3	$105.1	$110.3	$101.7	$102.1	$99.5	$98.5	$101.7	$104.5
Less: Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Other Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible Common Equity (Non-GAAP)	$87.6	$96.3	$105.1	$110.3	$101.7	$102.1	$99.5	$98.5	$101.7	$104.5
Tangible Common Equity to Tangible Assets (Non-GAAP)	11.0%	11.0%	9.3%	8.5%	6.3%	7.4%	7.1%	6.7%	6.3%	5.9%
Tangible Book Value Per Share										
Common Shares Outstanding (GAAP)	3,445,914	3,430,103	3,405,035	3,454,128	3,490,086	3,477,020	3,481,188	3,490,171	3,490,086	3,522,874
Tangible Book Value Per Share (Non-GAAP)	$25.42	$28.08	$30.86	$31.93	$29.15	$29.37	$28.58	$28.22	$29.15	$29.65
Average Tangible Common Equity										
Average Common Equity (GAAP)	$84.3	$92.1	$101.3	$108.2	$103.3	$109.1	$101.0	$102.8	$99.8	$103.7
Less: Average Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Average Other Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average Tangible Common Equity (Non-GAAP)	$84.3	$92.1	$101.3	$108.2	$103.3	$109.1	$101.0	$102.8	$99.8	$103.7
Total Assets	$800	$877	$1,130	$1,303	$1,617	$1,374	$1,403	$1,473	$1,617	$1,757
Average Assets	776	830	1,015	1,219	1,426	1,333	1,377	1,460	1,531	1,658
Profitability:										
Efficiency Ratio	69.5%	68.9%	67.7%	72.8%	68.0%	69.0%	66.7%	65.9%	70.6%	76.3%
ROAA	1.16%	1.18%	1.10%	0.90%	1.02%	0.97%	1.16%	1.12%	0.84%	0.62%
PTPP ROAA	1.43%	1.45%	1.39%	1.17%	1.42%	1.34%	1.52%	1.57%	1.26%	0.92%
ROATCE	10.7%	10.6%	11.0%	10.2%	14.1%	11.9%	15.8%	15.9%	12.8%	10.0%
NIE / Avg. Assets	3.25%	3.23%	2.90%	3.12%	3.02%	2.98%	3.06%	3.03%	3.02%	2.98%
Core Profitability:										
Core ROAA	1.16%	1.16%	1.04%	0.90%	1.06%	0.97%	1.16%	1.28%	0.84%	0.62%
Core PTPP ROAA	1.58%	1.64%	1.57%	1.29%	1.60%	1.51%	1.73%	1.76%	1.40%	1.03%
Core ROATCE	10.7%	10.5%	10.5%	10.2%	14.7%	11.9%	15.9%	18.2%	12.8%	10.0%