



MeridianCorporation[®]

2nd QTR Investor Presentation

NASDAQ: MRBK

July 29, 2020



Forward-Looking Statements

Meridian Corporation (the “Corporation”) may from time to time make written or oral “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Meridian Corporation’s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words “may,” “could,” “should,” “pro forma,” “looking forward,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Meridian Corporation’s control). Numerous competitive, economic, regulatory, legal and technological factors, risks and uncertainties including, without limitation: the impact of the current COVID-19 pandemic and government responses thereto, on the U.S. economy, including the markets in which we operate; actions that we and our customers take in response to these factors and the effects such actions have on our operations, products, services and customer relationships; and the risk that the Small Business Administration may not fund some or all Paycheck Protection Program (PPP) loan guaranties, among others, could cause Meridian Corporation’s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements. Meridian Corporation cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward-looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management’s current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review Meridian Corporation’s filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2019 and subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K that update or provide information in addition to the information included in the Form 10-K and Form 10-Q filings, if any. Meridian Corporation does not undertake to update any forward-looking statement whether written or oral, that may be made from time to time by Meridian Corporation or by or on behalf of Meridian Bank.



Company Highlights

- ☞ Demonstrated organic growth engine in diversified loan segments, capitalizing on sales culture and big bank missteps in the Delaware Valley tri-state market.
- ☞ Financial services business model with significant non-interest income streams in Meridian Mortgage, SBA Lending and Meridian Wealth Partners.
- ☞ Customer base principally interacts online, allowing a "branch-lite" banking strategy that provides substantial operational leverage.
- ☞ Skilled, long-tenured management team with extensive in-market experience.
- ☞ Excellent asset quality with diversified loan portfolio.
- ☞ Low commercial real estate (CRE) concentration; focus on smaller, shorter-tenor projects to be more nimble.
- ☞ Originated \$260 million in PPP loans.
- ☞ COVID deferrals approximately 15% of loan portfolio.



Company Snapshot

Overview

- 1) State-chartered commercial bank established in July 2004 and headquartered in suburban Main Line Philadelphia.
- 2) Serves Pennsylvania, New Jersey, Delaware and Maryland with more than 20 offices and a full suite of financial products and services.
- 3) Meridian specializes in business and industrial lending, retail and commercial real estate lending, electronic payments, along with a broad menu of high-yield depository products supported by robust online and mobile access.
- 4) Noninterest income businesses in Meridian Mortgage[®], SBA Lending and Meridian Wealth Partners[®].
- 5) Successful Meridian Mortgage division recently expanded into Maryland.

Financial Highlights 2QTR 2020¹

Balance Sheet (\$ in Millions)

Assets	\$1,579
Loans & Leases ²	\$1,381
Deposits	\$1,167
Equity	\$126

Asset Quality (%)

NPA's/Assets	0.47%
Nonaccrual Loans/Loans	0.54%
Reserves/Loans ³	1.27%
NCOs (recoveries)/Loans	0.00%

MRQ Profitability (%)

ROAA	1.56%
ROAE	19.16%
Net Interest Margin	3.27% / 3.41% ⁴
Tangible Equity	7.68%

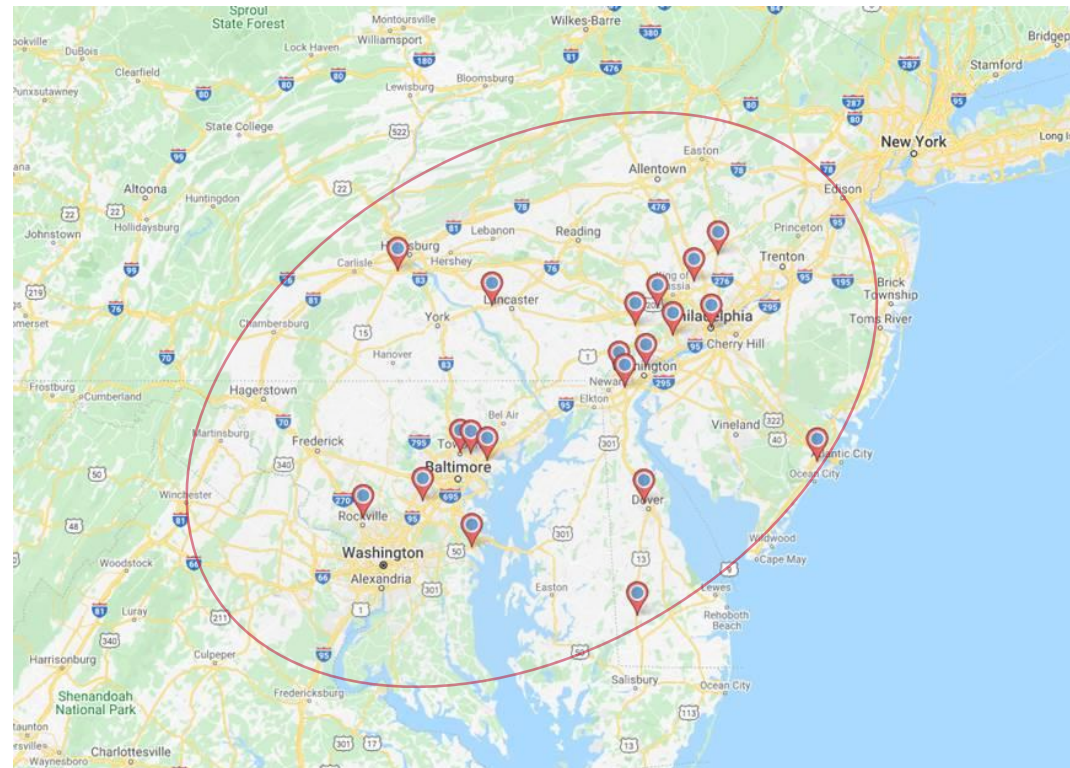
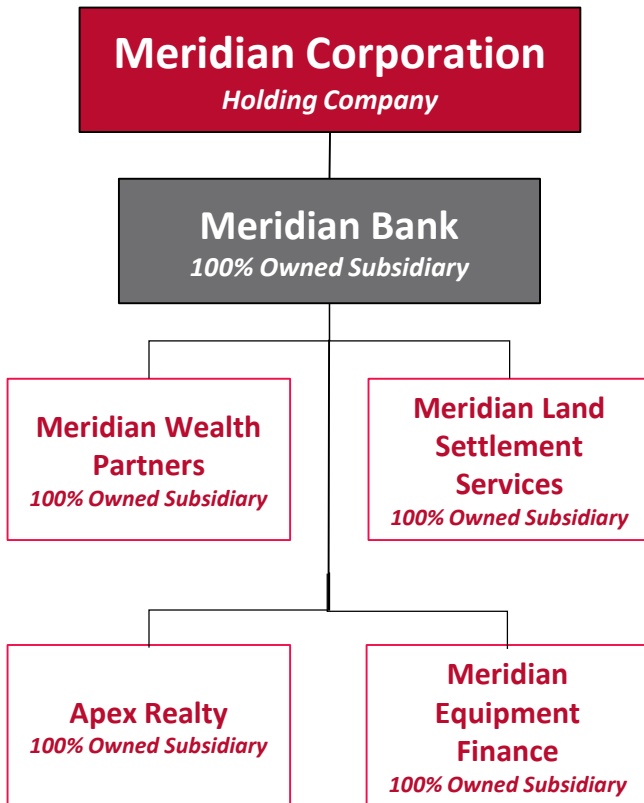
1) As of and for the quarter ended June 30, 2020, per July 27, 2020 press release.
 2) Includes loans held for sale and held for investment.
 3) Excludes loans at fair value, loans held for sale and PPP loans. A Non-GAAP measure. Refer to Appendix for Non-GAAP to GAAP reconciliation.
 4) Excludes PPP loans and PPPLF borrowings. A Non-GAAP measure. Refer to Appendix for Non-GAAP to GAAP reconciliation.



Current Meridian Franchise Footprint

Organizational Structure

Geographic Footprint





Deep and Experienced Leadership

Meridian
Bank
Executive
Management

Chris Annas

*Chairman of the Board
President & CEO*

- ☞ Founder, Chairman, President and Chief Executive Officer of the Bank since its opening in 2004
- ☞ Held executive positions with various regional banks in the Delaware Valley since 1986
- ☞ Over 35 years of banking experience in various commercial lending capacities

Denise Lindsay

EVP & CFO, Director

- ☞ Manages all corporate accounting functions and is responsible for asset-liability management, financial reporting, tax planning and reporting, budgeting and investor relations
- ☞ Over 25 years experience in bank financial management, Certified Public Accountant, former Senior Accountant for KPMG, LLP and member of the Financial Managers Society and PICPA

Joseph Cafarchio

EVP & CCO

- ☞ Heads credit underwriting and administration
- ☞ Over 35 years of experience in commercial lending in the region, including five years at the Federal Reserve Bank of Philadelphia
- ☞ Previously Chief Lending Officer from the Bank's inception until January 2017 when the Bank split the role of Chief Lending Officer and Chief Credit Officer

Charles D. Kochka

EVP & CLO

- ☞ Has served as leader of commercial and consumer lending at the Bank since 2017
- ☞ Has more than 38 years experience in commercial lending in the Delaware Valley

Randy J. McGarry

SVP & CIO

- ☞ Responsible for executing technology and operational solutions aligned with corporate strategy
- ☞ Over 25 years of banking experience with expertise in IT strategy, technology architecture, network infrastructure, core system conversions and merger & acquisitions
- ☞ Member of the Greater Philadelphia Senior Executive Group and the Society for Information Management

Clarence Martindell

EVP & CRE Lending

- ☞ In charge of growing and maintaining a strong commercial real estate loan portfolio, along with growing the Bank's title business and handling the disposition of all REO
- ☞ Over 25 years of real estate lending experience.
- ☞ Prior to joining the Bank, was the Director of Finance for Westrum Development Co., a regional homebuilder

T. Benjamin Marsho

EVP & Risk & Treasury

- ☞ Oversees risk management, treasury, compliance and BSA / AML
- ☞ Over 25 years of banking experience, including 5 years at the Office of Comptroller of the Currency, nearly 10 years as Controller at a publicly traded community bank and 5 years in investment and treasury management of a \$50 billion multinational bank



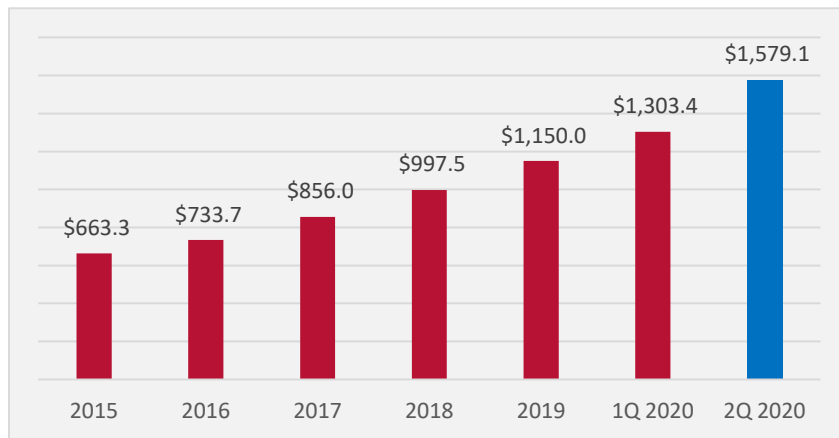
Overview of Business Lines

Core Banking	Meridian Mortgage	Wealth Management and Advisory Services
<ul style="list-style-type: none">☞ Commercial & Industrial Lending<ul style="list-style-type: none">– Lines of credit, term loans– Owner-occupied commercial mortgages– Leasing through Meridian Equipment Finance®☞ Commercial Real Estate Lending<ul style="list-style-type: none">– Owner occupied commercial mortgages– Construction loans– Land development loans☞ Consumer Lending<ul style="list-style-type: none">– Home equity loans / lines of credit☞ Deposit & cash management services☞ SBA Lending<ul style="list-style-type: none">– Highly experienced team in Delaware Valley– Top 4 originator in Eastern PA district	<ul style="list-style-type: none">☞ Mortgage originations were \$790 million for 2Q 2020 and \$603 million for YR 2019☞ Meridian Mortgage clients include homeowners and small scale investors☞ Approximately 85% of mortgage loans are originated in the PA, NJ, DE, VA, MD and DC markets<ul style="list-style-type: none">– Majority of these loans were for 1-4 family housing– nearly all loans originated were sold	<ul style="list-style-type: none">☞ \$715 Million AUM as of June 30, 2020☞ Meridian Wealth Partners, LLC is a registered investment advisor and wholly-owned subsidiary of the Bank☞ Provides a comprehensive array of wealth management services and trusted guidance☞ Clients include:<ul style="list-style-type: none">– Professionals– High net worth individuals– Company benefit plans☞ Synergies between the core bank and wealth businesses are building

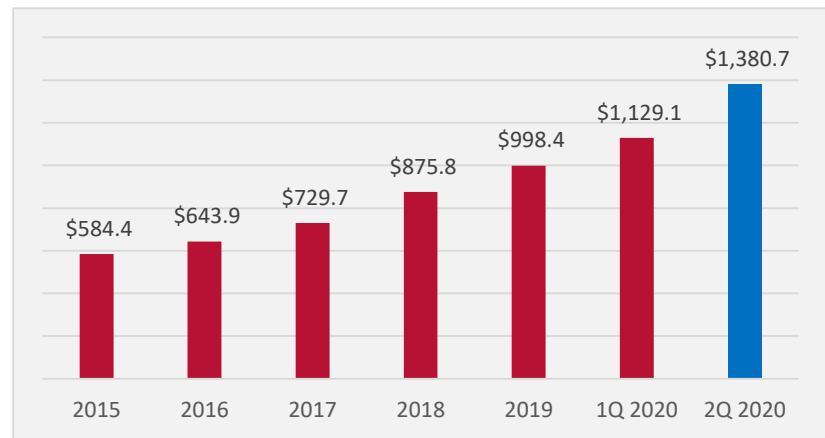


Consistent Balance Sheet Growth

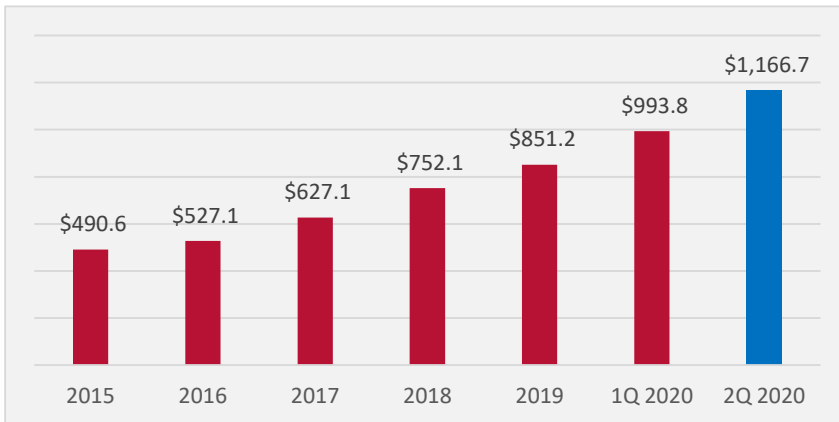
Total Assets (\$M)



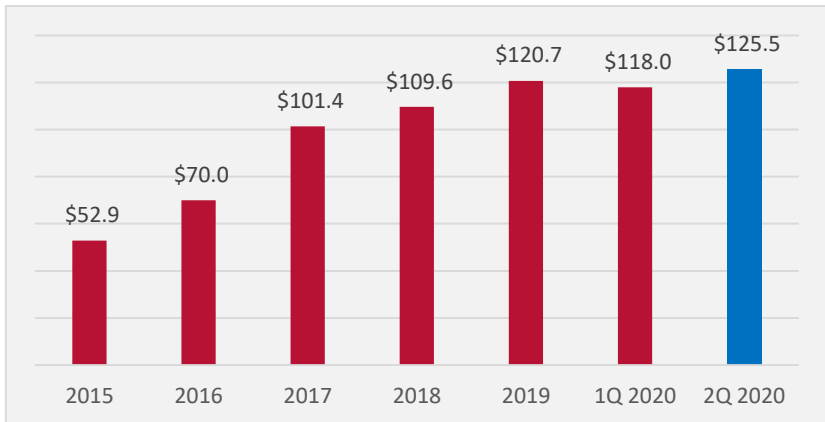
Loans and Leases¹ (\$M)



Total Deposits (\$M)



Consolidated Equity (\$M)

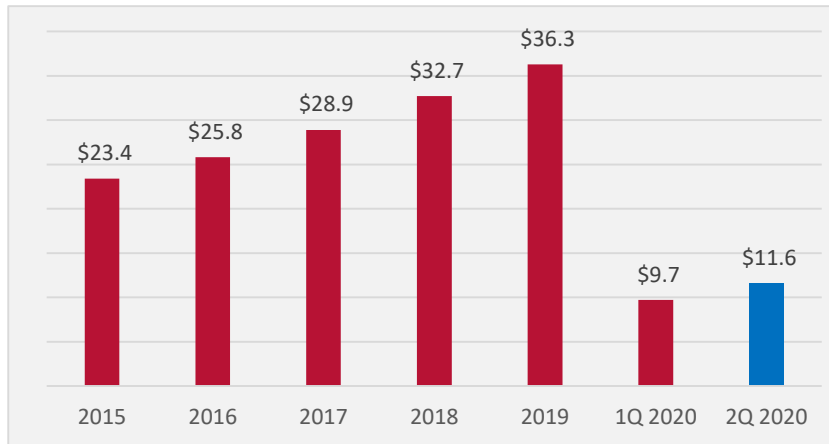


1) Includes loans held for sale and held for investment.

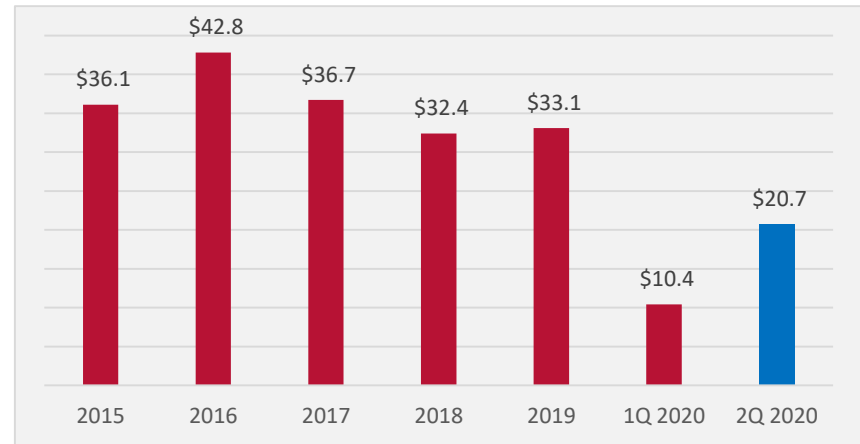


Summary Income Statement¹

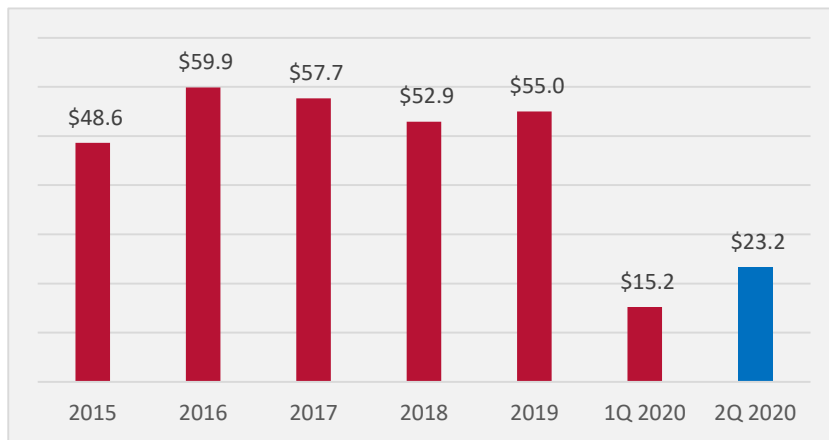
Net Interest Income (\$M)



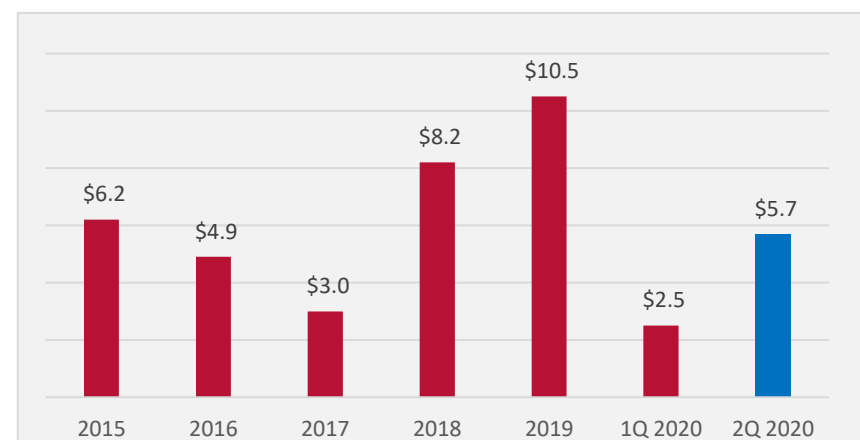
Non-interest Income (\$M)



Non-interest Expense (\$M)



Net Income (\$M)

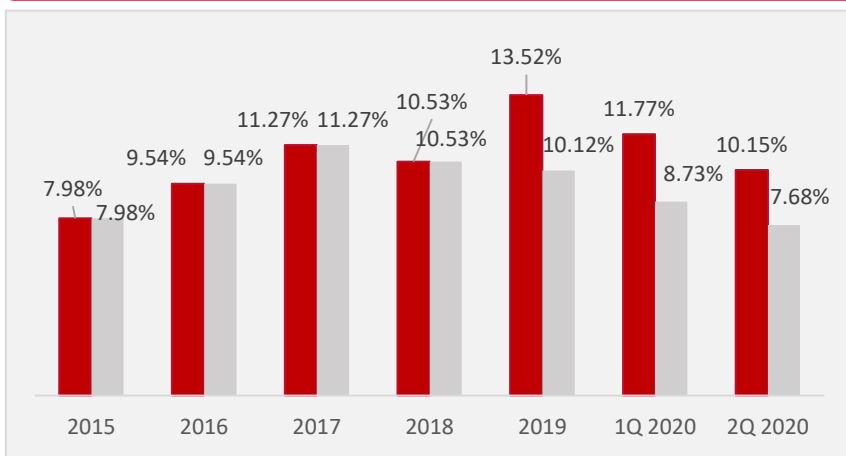


1) Decrease in 2017 profitability due to a decrease in net operating profit from mortgage division (\$1.8M); 2017 tax reform resulted in a one-time charge to tax expense of \$737K.

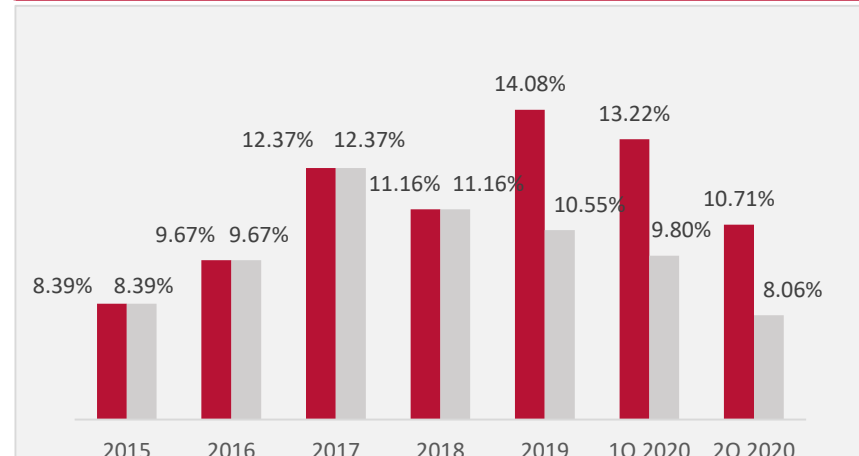


Capital Summary

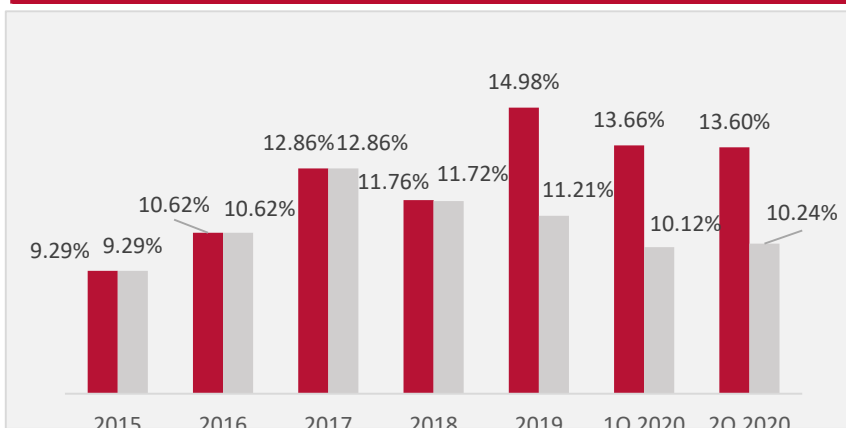
Tangible Common Equity / Tangible Common Assets (%)¹



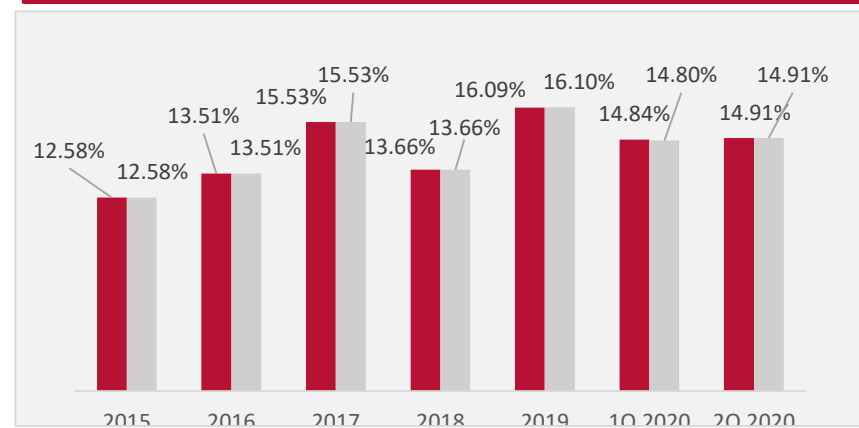
Tier 1 Leverage Ratio (%)



Tier 1 Capital Ratio (%)



Total Capital Ratio (%)

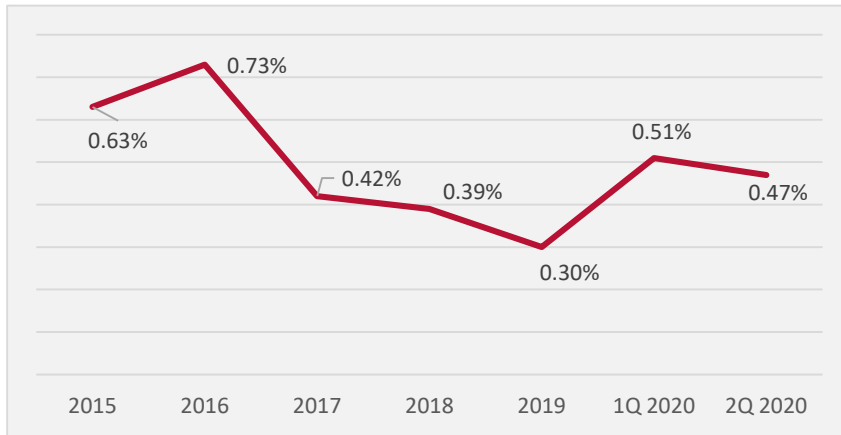


1) A Non-GAAP measure. Refer to Appendix for Non-GAAP to GAAP reconciliation.

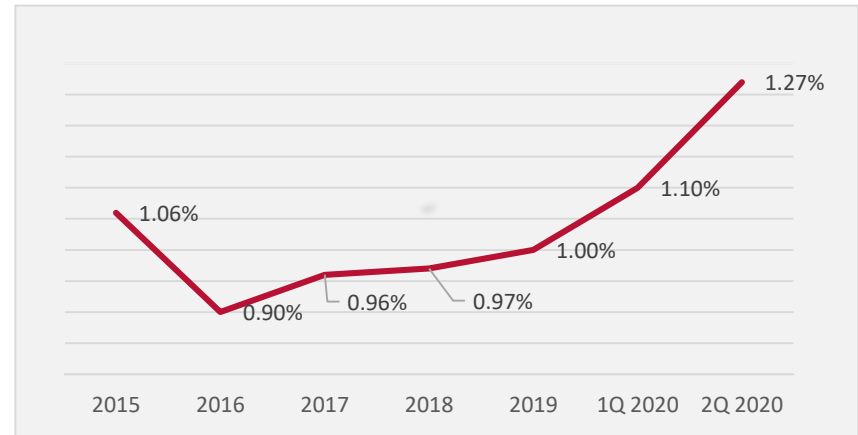


Asset Quality

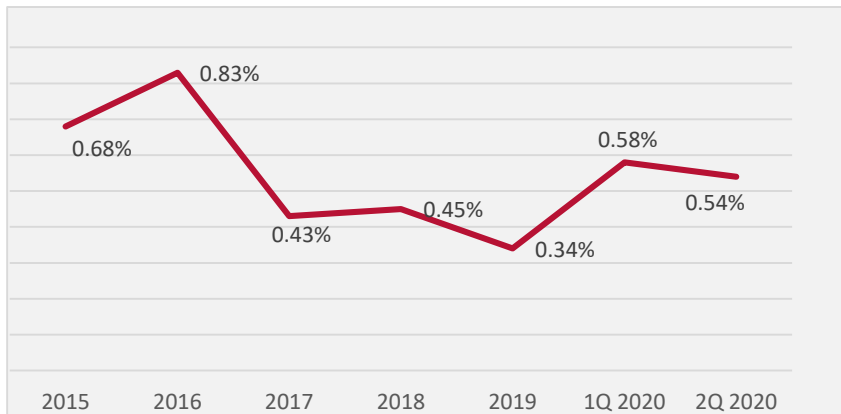
NPA¹ / Assets (%)



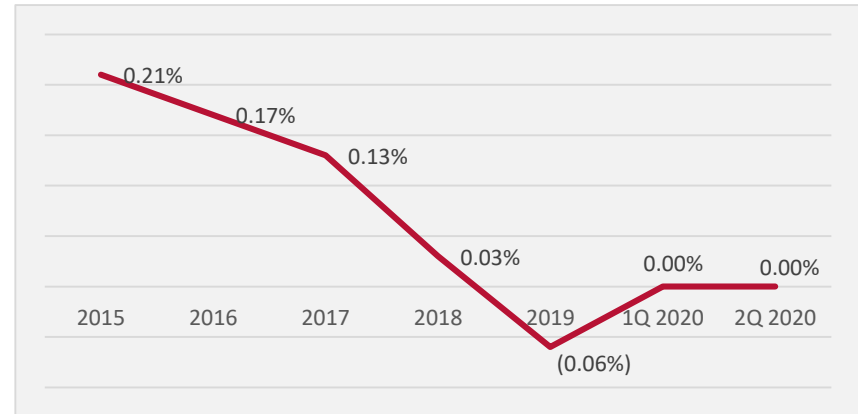
Reserves / Loans² (%)



Nonaccrual Loans / Loans (%)



Net Chargeoffs / Average Loans (%)



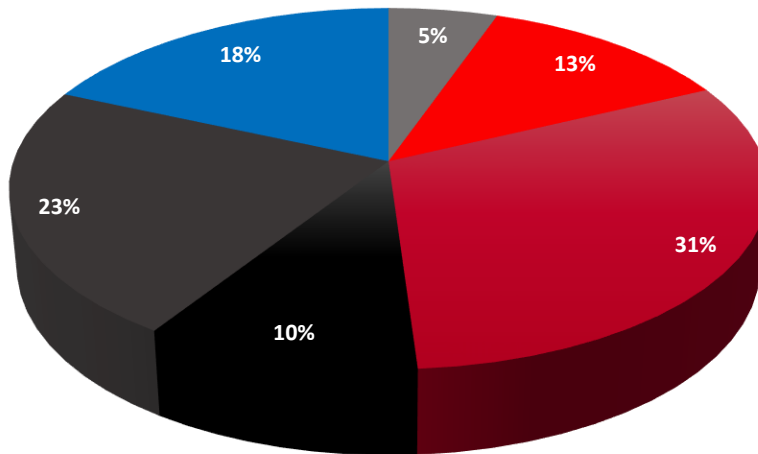
1) Nonperforming assets defined as loans 90+ days past due and still accruing, nonaccrual loans and leases and OREO, excluding performing TDRs.
2) Excludes loans at fair value, loans held for sale and for 2Q 2020, PPP loans. A Non-GAAP measure. See Appendix for Non-GAAP to GAAP reconciliation.

Balanced Loan Portfolio

June 30, 2020



Total Loans: \$1.4 Billion



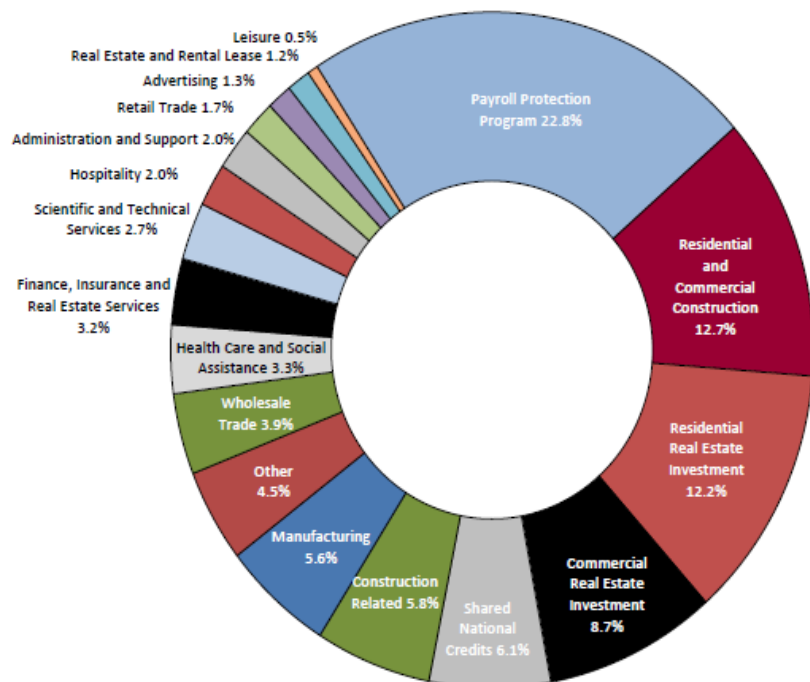
■ HELOC/Consumer ■ Residential ■ CRE ■ C&D ■ C&I ■ PPP

- ☞ \$1.4 Billion total gross loans and leases as of June 30, 2020¹
 - \$253.4 M net PPP loans
- ☞ CRE concentration of 183% as of June 30, 2020
- ☞ Average yield on loans of 4.48% for 2Q 2020
- ☞ Average yield on loans, excluding PPP loans, of 4.81% for 2Q 2020

1) Total loans held for investment and held for sale, net of fees and costs.
Source: Company documents



Commercial Loans by Industry June 30, 2020



Industry Concentration (\$'s in Thousands)	Balance
Payroll Protection Program	\$ 259,947
Residential and Commercial Construction	\$ 144,534
Residential Real Estate Investment	\$ 139,128
Commercial Real Estate Investment	\$ 98,852
Shared National Credits	\$ 69,596
Construction Related	\$ 66,762
Manufacturing	\$ 63,853
Other	\$ 50,929
Wholesale Trade	\$ 44,336
Health Care and Social Assistance	\$ 37,426
Finance, Insurance and Real Estate Services	\$ 36,069
Scientific and Technical Services	\$ 31,416
Hospitality	\$ 23,405
Administration and Support	\$ 23,066
Retail Trade	\$ 19,199
Advertising	\$ 14,413
Real Estate and Rental Lease	\$ 13,624
Leisure	\$ 5,971
	\$ 1,142,525

Note: Balances do not include consumer loans; HELOC, and 1st mortgages.

Source: Company documents



COVID-19 Response

ALLL Coverage by Portfolio

(dollars in thousands)

	June 30, 2020		
	Portfolio Balance	ALLL	Coverage
Commercial mortgage	421,629	5,277	1.25%
Commercial and industrial	280,960	3,642	1.30%
Construction & land development	148,584	2,019	1.36%
Home Equity lines and loans	73,410	672	0.92%
Residential mortgage	44,583	346	0.78%
Small business loans	30,820	747	2.42%
Consumer	548	4	0.73%
Total	1,000,534	12,707	1.27%

Loan Assistance Programs Update

- ☞ Commercial:
 - Original payment holiday up to 3 billing cycles
 - 9 loan relationships (\$50.7M) additional 3 months
- ☞ Construction:
 - PA moratorium on construction is now over
 - Previously lowered rates now returned to original rate
 - Two or Three billing cycles
- ☞ Residential: Payment holiday up to 6 months
- ☞ SBA (7A): 6 mos. of payments by Small Bus. Administration

Loans with Relief

(dollars in thousands)

	July 15, 2020		
	Portfolio Balance	% of Portfolio	Number of Loans
Commercial mortgage	86,141	20.4%	115
Commercial and industrial	31,693	11.3%	48
Construction & land development	42,128	28.4%	42
Construction rate discount ended	(18,223)	(24.8%)	(33)
Home Equity lines and loans	1,356	3.0%	11
Residential mortgage	4,828	15.7%	14
Small business loans	146	26.6%	1
Consumer	0	0.0%	0
Total	148,069	14.8%	198

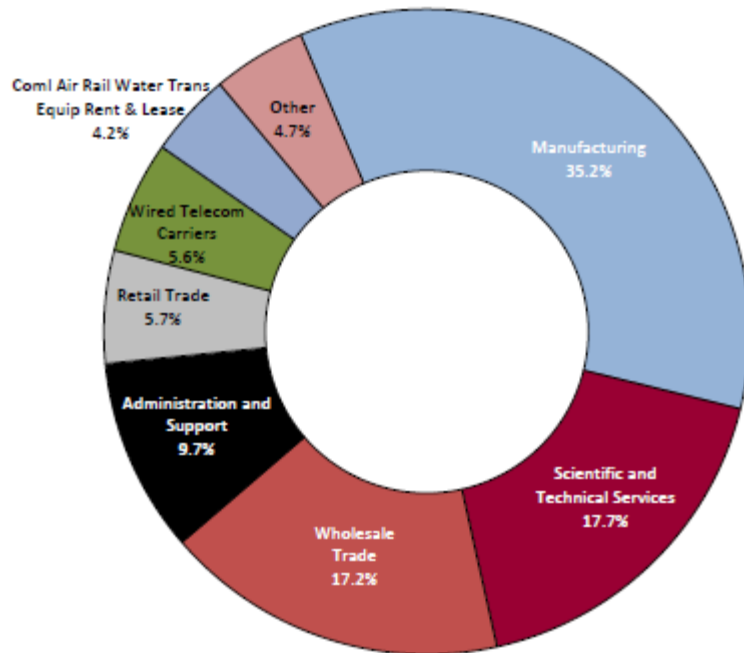
Significantly Impacted Industries

(dollars in thousands)

Industry	June 30, 2020			
	Portfolio Balance	% of Total Loans	Amount of Relief	% of Industry Balance
Retail Trade	23,133	2.3%	8,739	37.8%
Hospitality	23,405	2.3%	15,997	68.3%
Residential Spec Constr	54,761	5.5%	4,798	8.8%
Advertising & Marketing	17,321	1.7%	14,197	82.0%



Shared National Credits



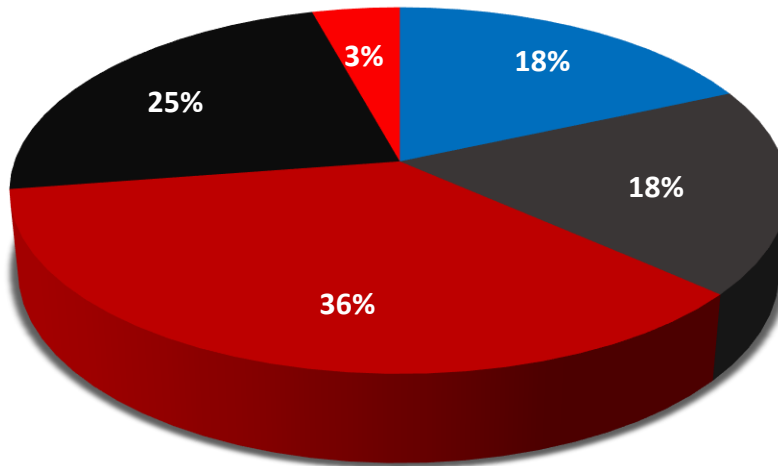
Industry Concentration	Balance	Percent of Total	Number of Loans
Manufacturing	\$ 24,519,002	35.2%	23
Scientific and Technical Services	\$ 12,297,736	17.7%	6
Wholesale Trade	\$ 11,960,634	17.2%	6
Administration and Support	\$ 6,770,131	9.7%	2
Retail Trade	\$ 3,934,546	5.7%	3
Wired Telecom Carriers	\$ 3,919,573	5.6%	1
Coml Air Rail Water Trans Equip Rent & Lease	\$ 2,940,000	4.2%	1
Other	\$ 3,254,398	4.7%	2
	\$ 69,596,021	100.0%	44

Deposit Composition

June 30, 2020



Total Deposits: \$1.2 Billion

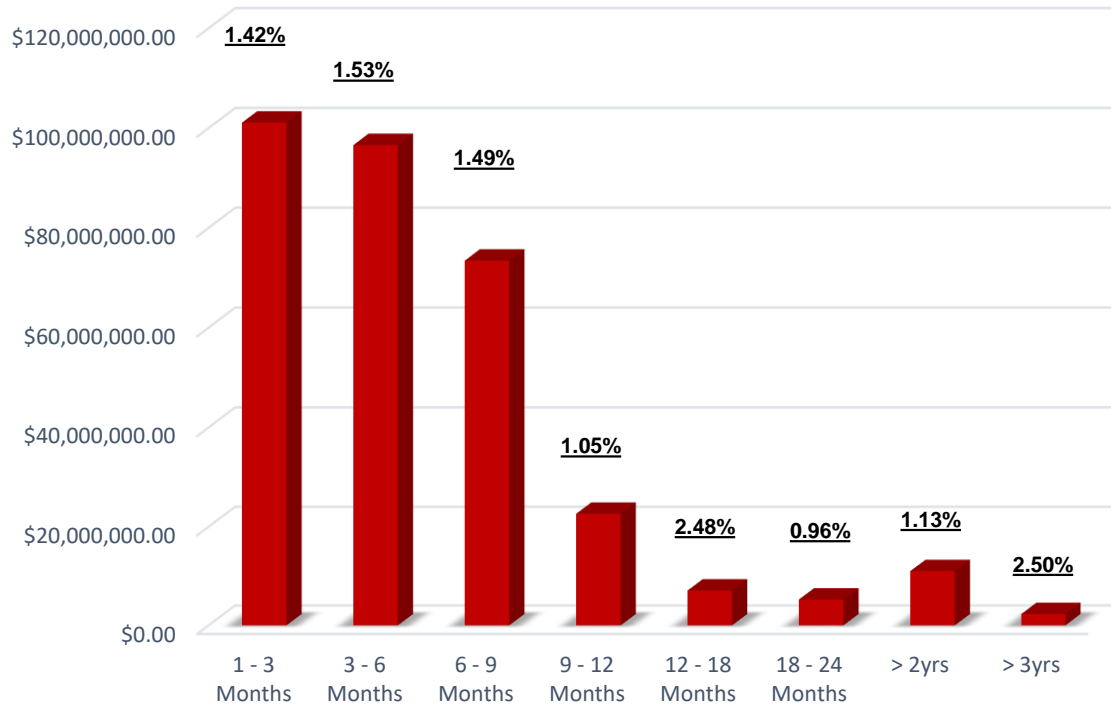


■ Non-interest checking ■ Interest checking ■ MMDA/savings
■ Certificates ■ Jumbo certificates

- \$1.2B total deposits as of June 30, 2020
- Diversified deposit mix
 - 37% transaction accounts
 - 19% noninterest-bearing deposits / deposits
 - Average cost of total deposits of 0.90% for 2Q 2020



Time Deposit Repricing Opportunities

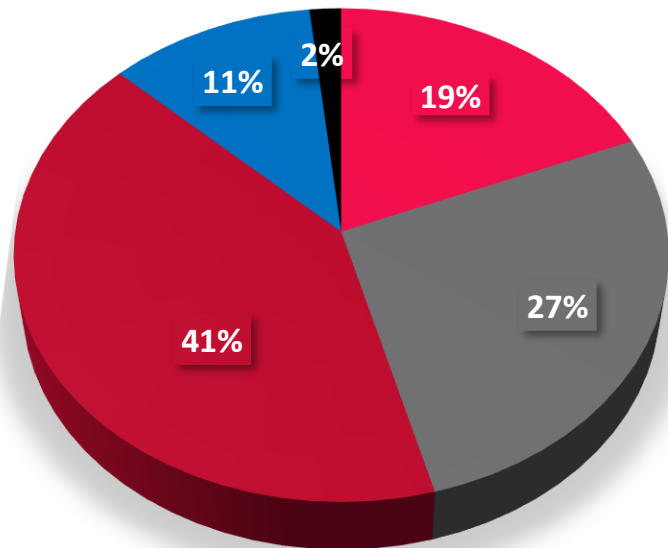


- \$271M time deposits maturing over next 3 quarters
- Blended cost of CDs maturing over 9 months is 1.48%
- Potential to shed approx. 30bps on time deposit costs each quarter
- Potential to expand margin 7bps quarter over quarter



Investment Portfolio Composition

Total Securities: \$104.7 Million



- US asset backed securities
- US government agency
- State & municipal securities - tax free
- State & municipal securities - taxable
- Other securities

- ☞ \$104.7 million total investments as of June 30, 2020
 - 93.7% available-for-sale
 - 6.3% held-to-maturity
- ☞ Average TEY of 2.69% year-to-date
- ☞ Unrealized gain \$2.8 million at June 30, 2020
- ☞ Conservative investment portfolio
 - 100% investment grade



Appendix



Historical Financial Highlights

Dollar Values in Thousands, Except Per Share Amounts	For the Year Ended					For the Quarter Ended				
	2015Y	2016Y	2017Y	2018Y	2019Y	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2
Balance Sheet										
Total Assets	\$ 663,344	\$ 733,693	\$ 856,035	\$ 997,480	\$ 1,150,019	\$ 1,055,906	\$ 1,126,937	\$ 1,150,019	\$ 1,303,442	\$ 1,579,083
Loans ¹	584,428	643,864	729,661	875,801	998,414	924,460	984,473	998,414	1,129,067	1,380,659
Deposits	490,568	527,136	627,109	752,130	851,168	840,714	858,461	851,168	993,753	1,166,697
Gross Loans / Deposits	119.13%	122.14%	116.35%	116.44%	117.30%	109.96%	114.68%	117.30%	113.62%	118.34%
Capital										
Total Equity	\$ 52,921	\$ 69,963	\$ 101,363	\$ 109,552	\$ 120,695	\$ 114,379	\$ 117,772	\$ 120,695	\$ 118,033	\$ 125,518
Tangible Common Equity / Tangible Assets - HC ³	7.98%	9.54%	11.27%	10.53%	10.12%	10.42%	10.06%	10.12%	8.73%	7.68%
Tangible Common Equity / Tangible Assets - Bank ³	7.98%	9.54%	11.27%	10.53%	13.52%	10.42%	10.06%	13.52%	11.77%	10.15%
Tier 1 Leverage Ratio - HC	8.39%	9.67%	12.37%	11.16%	10.55%	10.96%	10.69%	10.55%	9.80%	8.06%
Tier 1 Leverage Ratio - Bank	8.39%	9.67%	12.37%	11.16%	14.08%	10.96%	10.69%	14.08%	13.22%	10.71%
Total Capital Ratio - HC	12.58%	13.51%	15.53%	13.66%	16.10%	13.23%	13.11%	16.10%	14.80%	14.91%
Total Capital Ratio - Bank	12.58%	13.51%	15.53%	13.66%	16.09%	13.23%	13.11%	16.09%	14.84%	14.91%
Commercial Real Estate Loans / Total RBC	149.94%	148.88%	155.83%	183.80%	176.97%	202.14%	211.88%	176.97%	196.49%	182.99%
Earnings & Profitability										
Net Income	\$ 6,188	\$ 4,922	\$ 3,032	\$ 8,163	\$ 10,481	\$ 2,022	\$ 3,317	\$ 3,137	\$ 2,516	\$ 5,713
ROAA	1.02%	0.71%	0.39%	0.90%	1.01%	0.81%	1.24%	1.13%	0.87%	1.56%
ROAE	12.78%	7.69%	3.97%	7.77%	9.09%	7.14%	11.29%	10.41%	8.40%	19.16%
Net Interest Margin (NIM)(TEY)	3.98%	3.87%	3.93%	3.80%	3.65%	3.72%	3.61%	3.61%	3.49%	3.27%
NIM (TEY, excluding PPP loans and PPPLF borrowings) ³	3.98%	3.87%	3.93%	3.80%	3.65%	3.72%	3.61%	3.61%	3.49%	3.41%
Non-Int Inc. / Avg. Assets	5.96%	6.21%	4.69%	3.58%	3.19%	3.17%	3.68%	3.20%	3.60%	5.63%
Efficiency Ratio	81.7%	87.3%	87.8%	81.4%	79.2%	84.5%	74.1%	78.1%	75.9%	72.0%
Asset Quality										
Nonaccrual Loans / Loans	0.68%	0.83%	0.43%	0.45%	0.34%	0.45%	0.40%	0.34%	0.58%	0.54%
NPA's / Assets	0.63%	0.73%	0.42%	0.39%	0.30%	0.40%	0.36%	0.30%	0.51%	0.47%
Reserves / Loans ^{2,3}	1.06%	0.90%	0.96%	0.97%	1.00%	0.99%	1.01%	1.00%	1.10%	1.27%
NCOs / Average Loans	0.21%	0.17%	0.13%	0.03%	(0.06%)	(0.03%)	0.00%	(0.03%)	0.00%	0.00%
Yield and Cost										
Yield on Earning Assets (TEY)	4.74%	4.62%	4.83%	5.14%	5.30%	5.44%	5.29%	5.18%	4.98%	4.24%
Yield on Earning Assets (TEY), excluding PPP loans ³	4.74%	4.62%	4.83%	5.14%	5.30%	5.44%	5.29%	5.18%	4.98%	4.50%
Cost of Deposits	0.64%	0.66%	0.79%	1.29%	1.67%	1.78%	1.71%	1.53%	1.41%	0.81%
Cost of Interest-Bearing Liabilities	0.91%	0.95%	1.16%	1.69%	2.10%	2.18%	2.12%	1.99%	1.87%	1.15%

¹ Includes loans held for sale and held for investment.

² Includes loans held for investment (excluding loans at fair value and PPP loans).

³ A Non-GAAP measure. See Appendix for Non-GAAP to GAAP reconciliation.

Note: 2015-2017 Financials are at bank level; Meridian Corporation Holding Company formed Q32018.



Reconciliation of Non-GAAP Financial Measures

Tangible common equity to tangible assets

Management uses the measure tangible common equity to tangible assets to assess our capital strength. We believe that this non-GAAP financial measure is useful to investors because, by removing the impact of our preferred stock, goodwill and other intangible assets, it allows investors to more easily assess our capital adequacy. This non-GAAP financial measure should not be considered a substitute for any regulatory capital ratios and may not be comparable to other similarly titled measures used by other companies. The table below provides the non-GAAP reconciliation for our tangible common equity to tangible assets:

<i>(dollars in thousands)</i>							
Meridian Corporation	2015Y	2016Y	2017Y	2018Y	2019Y	2020Q1	2020Q2
Tangible common equity ratio:							
Total stockholders' equity	52,921	69,963	101,363	109,552	120,695	118,033	125,518
Less:							
Goodwill	—	—	899	899	899	899	899
Intangible assets	—	—	4,596	4,147	3,874	3,805	3,737
Tangible common equity	52,921	69,963	95,869	104,507	115,922	113,329	120,882
Total assets	663,344	733,693	856,035	997,480	1,150,019	1,303,442	1,579,083
Less:							
Goodwill	—	—	899	899	899	899	899
Intangible assets	—	—	4,596	4,147	3,874	3,805	3,737
Tangible assets	\$ 663,344	733,693	850,540	992,434	1,145,246	1,298,738	1,574,447
Tangible common equity ratio	7.98%	9.54%	11.27%	10.53%	10.12%	8.73%	7.68%

<i>(dollars in thousands)</i>							
Meridian Bank	2015Y	2016Y	2017Y	2018Y	2019Y	2020Q1	2020Q2
Tangible common equity ratio:							
Total stockholders' equity	52,921	69,963	101,363	109,552	159,642	157,544	164,446
Less:							
Goodwill	—	—	899	899	899	899	899
Intangible assets	—	—	4,596	4,147	3,874	3,805	3,737
Tangible common equity	52,921	69,963	95,869	104,507	154,869	152,841	159,810
Total assets	663,344	733,693	856,035	997,480	1,149,979	1,303,282	1,579,083
Less:							
Goodwill	—	—	899	899	899	899	899
Intangible assets	—	—	4,596	4,147	3,874	3,805	3,737
Tangible assets	\$ 663,344	733,693	850,540	992,434	1,145,206	1,298,578	1,574,447
Tangible common equity ratio	7.98%	9.54%	11.27%	10.53%	13.52%	11.77%	10.15%



Reconciliation of Non-GAAP Financial Measures

Dollar Values in Thousands, Except Per Share Amounts

Reconciliation of PPP Related Non-GAAP Measures	For the Quarter Ended	
	2020Q1	2020Q2
Reconciliation of Net Interest Margin (TEY, excluding PPP loans and PPPLF borrowings)		
Net interest margin (TEY)	3.49%	3.27%
Impact of PPP loans and PPPLF borrowings	—	0.14%
Net interest margin (TEY, excluding PPP loans and PPPLF borrowings)	3.49%	3.41%
Reconciliation of Reserves / Loans		
Allowance for loan losses / Total loans	0.98%	0.92%
Less: Impact of mortgage loans held for sale	0.10%	0.09%
Less: Impact of loans held for investment - fair valued	0.02%	0.00%
Less: Impact of PPP loans	—	0.26%
Allowance / Total loans held for investment (excl. loans at fair value and PPP loans)	1.10%	1.27%
Reconciliation of Yield on Earning Assets		
Yield on earning assets (TEY)	4.98%	4.24%
Impact of PPP loans	—	0.26%
Yield on earning assets (TEY, excluding PPP loans)	4.98%	4.50%