

Banking for a Better Tomorrow.



My Bank

LEARNING
Understanding
BUILDING
Investing



Saving
Teaching
Serving
BRAINSTORMING
DREAMING
Lending
Supporting
Guiding

My bank is
passionate about people.
dedicated to service.
always **helpful**.
building **customized** solutions.
trusted.
here for local business.
involved in this community.
personal.

My bank is
First United.

SUMMARY OF SELECTED FINANCIAL DATA

(Dollars in thousands, except per share data)

	2024	2023	% Change
Results of Operations:			
Tax-equivalent interest income	\$ 92,222	\$ 81,783	12.76%
Interest expense	32,015	24,286	31.82%
Tax-equivalent net interest income	60,207	57,497	4.71%
Tax-equivalent adjustment	229	627	-63.48%
Total credit loss expense	2,933	1,620	81.05%
Net interest income after provision for credit losses	57,045	55,250	3.25%
Noninterest income	19,825	14,469	37.02%
Operating noninterest income	19,411	18,331	5.89%
Non-operating noninterest income:			
Net gains/(losses)-other	\$ 414	\$ (3,862)	-110.72%
Noninterest expenses	49,640	50,243	-1.20%
Operating noninterest expenses	49,640	50,243	-1.20%
Income before income taxes	\$ 27,230	\$ 19,476	39.81%
Income tax expense	6,661	4,416	50.84%
Net income available to common shareholders	\$ 20,569	\$ 15,060	36.58%
Common dividends paid	5,373	5,217	2.99%
Net income per FTE (Pre-tax)	\$ 88,121	\$ 60,863	44.79%
Per Share Data:			
Basic net income per common share	\$ 3.15	\$ 2.25	40.00%
Diluted net income per common share	\$ 3.15	\$ 2.25	40.00%
Common dividends paid	\$ 0.84	\$ 0.78	7.69%
Book value (at year end)	\$ 27.71	\$ 24.38	13.66%
Tangible book value (at year end)	\$ 25.89	\$ 22.56	14.76%
Financial Condition (at year end):			
Assets	\$ 1,973,022	\$ 1,905,860	3.52%
Deposits	1,574,829	1,550,977	1.54%
Net loans	1,462,181	1,388,847	5.28%
Investment securities	269,991	311,466	-13.32%
Shareholders' equity	179,295	161,873	10.76%
Performance Ratios (for the year):			
Return on average equity	12.16 %	9.65 %	
Return on average assets	1.06 %	0.77 %	
Yield on average interest-earning assets	5.17 %	4.63 %	
Rate on average interest-bearing liabilities	2.51 %	1.95 %	
Net interest spread	2.66 %	2.68 %	
Net interest margin	3.38 %	3.26 %	
Efficiency ratio	61.31 %	65.12 %	
Capital and Credit Quality Ratios:			
Average equity to average assets	8.69 %	7.91 %	
Total risk-based capital ratio	15.92 %	15.64 %	
Tier 1 to risk weighted assets	14.70 %	14.42 %	
Tier 1 to average assets (leverage)	11.88 %	11.30 %	
Common equity tier 1 to risk weighted assets	12.79 %	12.44 %	
Allowance for credit losses to total loans (as %)	1.23 %	1.24 %	
Nonperforming and 90 days past due loans to total assets (as %)	0.30 %	0.47 %	
Net charge-offs to average loans (as %)	(0.16) %	(0.07) %	

Shareholder Letter



Dear Associates, Customers, Communities and Shareholders,

First United Corporation demonstrated dedication to its mission in 2024, delivering customized financial solutions with unwavering discipline and focus on our core business model. This approach enabled us to steadily promote employee growth, guide customers to achieve financial goals, support community initiatives, and generate strong shareholder return.

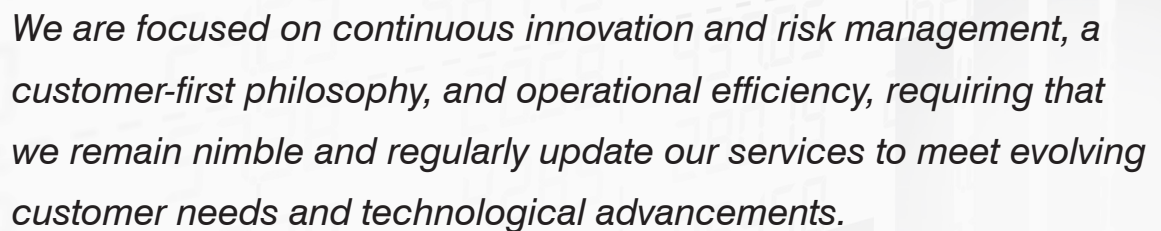
First United's mission centers on a deep-rooted commitment to sustainability, ensuring that financial strategies are not just profitable in the short

term, but also viable over time. Our strategic vision, paired with genuine care for our stakeholders' financial well-being, creates a powerful synergy that drives success. We are focused on continuous innovation and risk management, a customer-first philosophy, and operational efficiency, requiring that we remain nimble and regularly update our services to meet evolving customer needs and technological advancements. Robust systems and processes continue to protect our customers' assets and maintain the safety and stability of our Bank. Our customer-first approach prioritizes personalized service and responsive support, while streamlined processes benefit our customers.

Our passionate associate base remains the backbone of our Company. With a steadfast commitment to helpfulness, our associates work tirelessly to deliver a personalized experience for each customer and focus on growing relationships that stand the test of time. With well-rounded expertise and continuous pursuit of individual development, our

associates' commitment to growth enables First United to stay ahead of market trends and guide customers through complex financial landscapes with confidence and clarity.

Driven by a combination of solid net income growth, increasing stock price and consistent dividend payments, our 2024 performance reflected our commitment to creating long-term value, while maintaining a balanced approach to growth and risk management. For the year ended December 31, 2024, net income was \$20.6 million, or \$3.15 per diluted share, compared to \$15.1 million, or \$2.25 per diluted share for the prior year. This was driven by an increased net interest margin that was achieved through disciplined pricing strategies, as interest income was optimized and interest expense was managed, by carefully balancing competitive rates for our customers with profitable spreads for our shareholders.



We are focused on continuous innovation and risk management, a customer-first philosophy, and operational efficiency, requiring that we remain nimble and regularly update our services to meet evolving customer needs and technological advancements.

Strong wealth management production and revenue growth also contributed to our solid financial performance. We capitalized on a strong stock market during the year and experienced impressive growth in the clients served, a testament to our ability to nurture relationships. This was accomplished by providing personalized financial advice, financial management and a broad menu of investment products, all the while leveraging technology. Continued focus on relationship-building has not only increased the assets under management in our wealth area but also grew our diversified revenue streams.

A keen focus on managing operating expenses was reflected in our improved efficiency ratio. Strategies to consolidate our branch network, streamline processes through digital transformation, and

Shareholder Letter

invest in associate training and productivity continued to optimize our operations without compromising the quality of our services. Maintaining prudent risk management was demonstrated in our commitment to diligent underwriting standards and diversification across sector and loan types which resulted in maintaining high asset quality.

We ended the year at \$2.0 billion in total assets comprised mostly of loans made to community businesses and local individuals. We rely on our local deposit base to fund these loans and are proud that we contributed to the economic growth in our market areas. Our capital remained strong, providing a solid foundation for continued growth and expansion. Our well-capitalized position was a key strength that supported our strategic initiatives and ability to weather economic uncertainties with confidence.

First United's commitment continued to extend beyond traditional banking services. Significant strides to promote financial education were accomplished through our trademarked financial educational program, Finture. Personalized steps and guidance towards a stronger financial future empowered individuals and businesses with the knowledge and skills needed to make informed financial decisions, thus, contributing to the overall economic health of our communities and enhancing the lives of those we serve.

We contributed to the economic growth and financial well-being of our local communities, leading to another year of impressive returns to you, our shareholders.

Our passionate and knowledgeable associates worked hard to provide customized financial solutions and to profitably grow our customer base. We contributed to the economic growth and financial well-being of our local communities, leading to another year of impressive returns to you, our shareholders. As of February 28, 2025, our total shareholder return, including price changes and reinvested cash dividends, was 70.1% for one-year, 69.9% for three-years and 98.4% over five-years, all periods outperforming our local peer group and the S&P US Small Cap Banks Index.

By focusing on disciplined pricing, relationship-building, operational efficiency, prudent growth, and strong capital management, we believe that we have positioned your company well for future sustainability. We are also proud of our past and recognize and appreciate the dedication of past management teams and committed shareholders and customers.



*We're not just in the banking business,
we're in the **people** business.*

This strong foundation has brought us to where we are today, proud to celebrate First United's 125th Anniversary throughout 2025! We stand firm in upholding our community banking values, as our success is intrinsically linked to the prosperity of our associates, customers, communities and shareholders. We remain steadfast in our commitment to serving as your trusted partner and dependable ally and thank you for your belief and commitment to community banking. We are and always will be your bank, our bank, **MYBANK!**

Our Legacy, Your Future.

Carissa L. Rodeheaver

BB



Carissa L. Rodeheaver
Chairman of the Board, President
and Chief Executive Officer



Brian R. Boal
Lead Director, Principal,
Boal & Associates, PC



Board of Directors



John F. Barr



Sanu B. Chadha



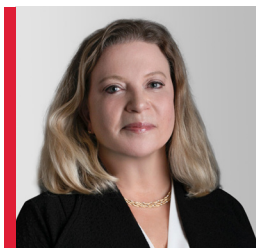
Christy M. DiPietro



Kevin R. Hessler



I. Robert Rudy



Patricia A. Milon



Beth E. Moran



Hoyer Andrew Walls, III



Helpful

Teamwork

Passion

Over
11,300
hours of
Community
Support



Engaging in our

Community

Community outreach is a vital part of executing our mission and values. Our volunteers dedicate their time and skills to help educate, discuss innovative solutions, or get their hands dirty, while helping to build and grow the areas we serve.

Whether we are helping one person or a thousand, our commitment remains the same. Promoting social responsibility, fostering empathy, broadening perspectives, and strengthening community bonds are reasons we are proud to be called a community bank.

The financial wellness for those within our footprint, not just customers, is equally important to our success. We don't just sell products and services; we help families and businesses today and into the future. That's why we created the My Finture Financial Education Center, offering articles, videos and tools to help you on your journey!



FINTURE
STEPS TO YOUR FINANCIAL FUTURE



Associates participating in Dragonboat race for local charity.

Giving back to our

Community

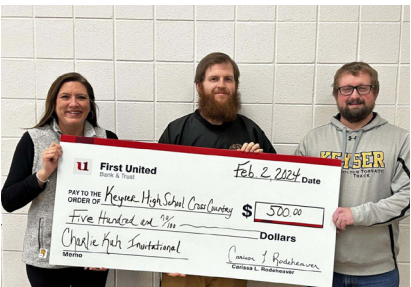
Giving back to the place you call home helps to unite the community and bridge some of the social and economic gaps.

We expect that our funded projects will help regions and organizations thrive for years to come. Even in times of uncertainty, our team kept showing up. We couldn't be more grateful for the relationships we have cultivated.

Over

\$235,000

in Community Donations





Over
\$65,000
in Community Funding

The First United Community Dreams Foundation is focused on making dreams a reality.

Through grants, sponsorships, and investments, our Foundation provides support to community partners in local nonprofits, institutions, schools and other 501(c)3 organizations offering critical services and programs in the various communities that we serve.

Our Legacy, Your Future.

Since 1900, First United Bank & Trust has supported communities with financial services.

In 2025, we will officially celebrate our 125th anniversary! This significant anniversary is an incredible opportunity to share our rich history as well as our contemporary relevance.

We are grateful to have experienced significant growth since 1900. From our first location as First National Bank of Oakland to our expansion east and west, we have grown to our current 22-branch network and have consistently exhibited our dedication to community banking.

Many highlights will be shared throughout the year, honoring this special occasion. A balance of tradition and forward-thinking messaging and activities will be conveyed to existing customers and future generations. We also look to maintain our position as a trusted partner and showcase the Bank's history of trust and dedication.

It is **"Our Legacy, Your Future."**



Please contact our transfer agent, Computershare, if you need assistance in any of the following areas:

- Change in registration
- Reporting lost certificates
- Non-receipt or loss of dividend checks
- Information on dividend reinvestment plan

Computershare:

Phone

1-781-575-2622 or Toll Free 1-866-298-7858

Computershare

P.O. Box 43078

Providence, RI 02940-3078

Courier Delivery:

Computershare

150 Royall St., Suite 101

Canton, MA 02021

Return envelopes for the proxy:

P.O. Box 43101, Providence, RI 02940-5067

Questions & Inquiries via our website:

<http://www.computershare.com/investor>

Hearing Impaired #: TDD: 1-800-952-9245

First United-Direct Line: 1-866-298-7858

TDD for Hearing Impaired: 1-800-952-9245

Foreign Shareowners: 1-781-575-2622

TDD for Hearing Impaired: 1-781-575-2692

Shareholders' Meeting:

The Annual Shareholders' Meeting will be held Wednesday, May 7, 2025, at 9:00 a.m.

Wisp Hotel - Crawford Room

290 Marsh Hill Road

McHenry, MD 21541

SEC Form 10-K

The Corporation files an annual report on Form 10-K with the Securities and Exchange Commission.

This statement can be found on our investor relations website at <http://investors.MyBank.com>

or you may request to receive a copy by calling us at 1-888-692-2654. A statement may also be requested by mail, without charge, to any shareholder who requests it in writing to:

Tonya K. Sturm

Corporate Secretary

First United Corporation

c/o First United Bank & Trust

19 South Second Street

Oakland, MD 21550

Want to stay up-to-date? Sign up for shareholder communications at MyBank.com/investors



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