

2022 OVERVIEW

Honoring our Partnerships

A CHAIN REACTION OF COMMUNITY PROGRESS



“Just as ripples spread out when a single pebble is dropped into water, the actions of individuals can have far-reaching effects.”

—DALAI LAMA

Our clients make up the fabric of our region. They are our friends, neighbors, family members, and the businesses our community depends on. When each of us succeeds, we all rise together. We believe in doing well by doing good, which is why we

pursue client partnerships that reflect that ethos. In this 2022 Overview publication, we're shining a light on three of these relationships, and the broader momentum of new growth we see reverberating throughout our communities.

TO OUR SHAREHOLDERS, CUSTOMERS AND FRIENDS

In the past, it has been our practice to use this space to discuss Harford Bank's financial performance during the prior year. This year, you will find a full discussion of our 2022 performance in the separate shareholder letter accompanying this Overview. We have decided to use this entire publication to feature three of our partners who are doing great things in our community.

What is a community? For generations, our definition of community started with a shared geography. The people we knew, the people we supported and who supported us, and the people with whom we shared common values, were usually the people who lived near us. We worked together, we played together, we celebrated together, and we mourned together. Through these shared experiences we were developing a depth of mutual understanding that can only be realized by people who are pursuing common goals.

Over time, the definition of community began to change. Physical proximity was less important as digital communication and social media made it possible for people to connect without ever seeing each other in person. We could find people who shared common interests and beliefs—people who may live in a nearby town, or on the other side of the world. We began to understand that communities can take on many forms.

It is tempting to judge these newer definitions

of community. Is it possible to develop the same sense of connection with people whom we have never met in person? Opinions certainly differ. We will need time to gain enough perspective to know for sure, but we can be confident of one thing: wherever people are helping people, there is a community.

At Harford Bank, we hold a special appreciation for community. In fact, our slogan is "Community is our Strength." You will usually see this phrase wherever you see our name, and it is much more than just a slogan. It is the reason we exist and is what has driven Harford Bank since its creation in 1964. We are committed to improving our community, whatever form it takes.

Harford Bank is a business, and ultimately, businesses survive and thrive if they are profitable. We are proud of our consistently strong financial performance over the years, and 2022 was no exception. We're also proud that we've been able to continue to increase the returns we deliver to our shareholders, most of whom are members of our community. But we feel we owe it to the people in our community, our neighbors, to define success more broadly. Financial measures are important, but to us, the progress and well-being of the families and businesses in our region is of equal importance.

Making meaningful contributions to the community is a core value and is central to our mission. Those contributions can take many

forms. For example, we encourage and expect our team members to be active community volunteers. We leave the nature of those volunteer activities to the individuals' discretion—the only condition is they contribute to their chosen causes in an authentic way. The result is a team that collectively devotes many hundreds of hours a year to working to improve the lives of others.

Harford Bank provides direct financial support to countless organizations and philanthropic groups in our market. From sponsorships to contributions to promotions, we work diligently to share as many resources as we can with those who have a proven track record of elevating our neighbors who are most in need.

The stories on the following pages describe yet another way we assist those who support the people in our market. Because we are a community bank, we offer advantages to local organizations that may not always be available from other sources. The size and structure of Harford Bank, combined with our team's depth of

experience, makes us nimble and creative. That helps us customize solutions for our partners, especially those who may have unique needs. And, our team's years of experience in the northern Maryland region gives us unmatched knowledge of the community and its residents. As you'll see, these factors make us a valuable resource to those who help others.

We are delighted to share these stories with you. We are grateful to all the organizations, groups, and all the people in our region who do such a great job making all our lives better. Most of all, we are thankful that so many of you continue to put your trust in Harford Bank. We will work hard to preserve that trust.



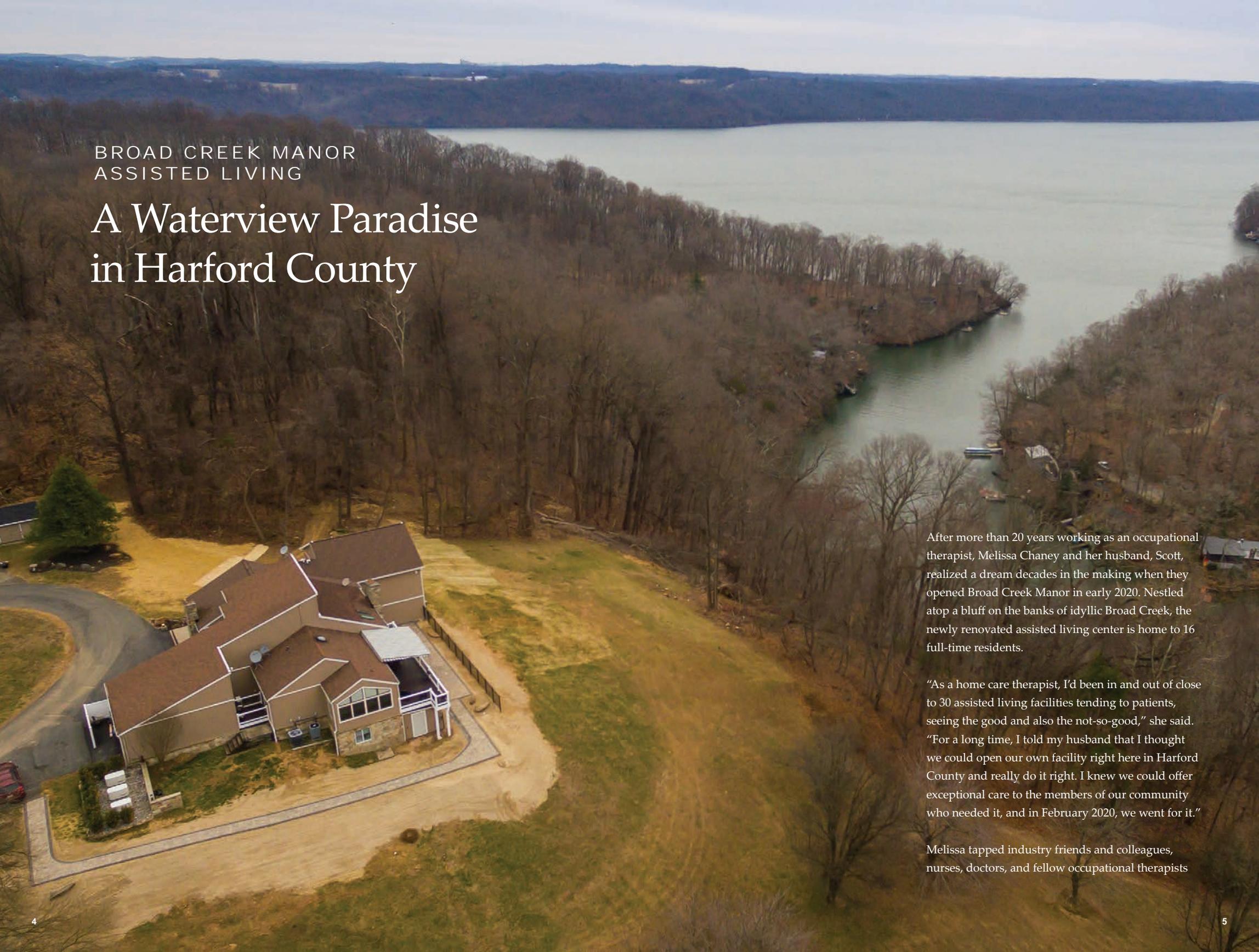
JOHN S. KARAS
CHAIRMAN



MICHAEL F. ALLEN
PRESIDENT



Pictured are Chairman, John S. Karas (left) and Harford Bank President, Michael F. Allen (right).



BROAD CREEK MANOR
ASSISTED LIVING

A Waterview Paradise in Harford County

After more than 20 years working as an occupational therapist, Melissa Chaney and her husband, Scott, realized a dream decades in the making when they opened Broad Creek Manor in early 2020. Nestled atop a bluff on the banks of idyllic Broad Creek, the newly renovated assisted living center is home to 16 full-time residents.

“As a home care therapist, I’d been in and out of close to 30 assisted living facilities tending to patients, seeing the good and also the not-so-good,” she said. “For a long time, I told my husband that I thought we could open our own facility right here in Harford County and really do it right. I knew we could offer exceptional care to the members of our community who needed it, and in February 2020, we went for it.”

Melissa tapped industry friends and colleagues, nurses, doctors, and fellow occupational therapists



Owners Scott and Melissa Chaney (above) acquired Broad Creek Manor just one month before the pandemic.

“We now have a waitlist of local families from our network who are eager to give their loved ones the experience of our kind of care. We’re lucky to also have a long list of area businesses and organizations that we engage with through enrichment activities that support our residents—from happy hours, candlelight dinners, and *Manicure Mondays* (upper right), to pet and reminiscence therapy, *Silver Reader* library visits, and off-campus day trips in partnership with the Harford Transit LINK bus,” said Melissa.

to help in their spare time as she got Broad Creek Manor off the ground.

“There was a lot of excitement about the changes we wanted to make. Even the families of our residents reached out to offer up their skills and assistance. One of our residents had a daughter who’s an interior designer and a son who’s a builder. They gutted bathrooms with me, helped redesigned spaces, hung art—the works. It was a real joyful experience working together to make the place look special for their mom and for everyone else living there, too.”

“No question about it,” she continued. “We wouldn’t be here today without the incredible contribution of time and talent from our community. That includes



the team at Harford Bank, too. Everyone came together to make this place a success.”

The Chaney’s turned to Harford Bank after a referral from a friend who’d just transitioned away from using a large national bank to manage his business finances.

“I just know that they look at us as not-just-a-number,” she continued. “They look at us as people—people trying to do the right thing and trying to develop a business. That really resonated with me because that’s how I look at our residents. A lot of assisted living centers refer to their patients by room number. Not us.”

“In fact, we could tell you all their names before

we could remember their room numbers,” she joked.

Now in her third year running the business, Chaney continues her embrace of the culture of community at Broad Creek Manor, employing a local full-time staff and working with nearby vendors and business to provide her residents with great experiences and quality of life.

She says she is proud of the residual impact Broad Creek Manor has on the local economy through the commerce of running a day-to-day business.

“We truly engage with the entire community,” Chaney continued. “We reach out! And why not? That’s what community is all about.”

INNER COUNTY OUTREACH

A Contagious Force for Good



Lauded as one of Maryland's best kept secrets, Inner County Outreach is Harford County's oldest continuously operating nonprofit organization. Founded as a faith-based community organization in 1986 by Dr. Pastor Nathaniel Johnson, ICO extends resources to local families in three categories—youth services, comprehensive basic needs, and mental health and wellness.

"Under our three divisions, we offer 14 programs for the benefit of the community," says Natalie Johnson, the organization's COO and daughter of Pastor Nate. "And as you can see, we are a family business."

Johnson's clever play on words points to ICO's spotlight on children and families, but also to her

own family's deep involvement in the business of building community.

"My sisters and I grew up volunteering here and working at the summer camps. It still feels good to share our sense of family with those in our region who need it."



ICO offers educational, social and health needs to the community while always remaining true to its faith-based mission. (Pastor Nate, right)

The Inner County Outreach After School Program (above) provides youth with: ongoing relationships with caring adults; an environment that strengthens social skills and character; healthy snacks and hot meals to meet students' nutritional needs; and a safe environment for latchkey children in the community.

One of ICO's newest family-focused initiatives to take root is Project S.E.E.K., a first-of-its kind program that serves children with an incarcerated parent.

"Through case management, home visits, and access to support groups, counseling, and more, we help kids at their most vulnerable understand that there should always be an expectation of respect in any relationship they form, be it with a parent, teacher, friend, or any acquaintance they make," says Johnson.

"And we live by that ourselves, too. We expect consideration and respect from each other, those we serve, and those we do business with. It's why we so deeply value our relationships with

partners like Harford Bank."

Johnson says she connected with Harford Bank in 2018, shortly after her transition to Chief Operating Officer.

"After accepting the role at ICO four years ago, I began assessing our community partnerships to ensure we were prepared for the next forty years of service to others. After multiple meetings with Harford Bank, I began to better understand the importance of community banking and how an engaged partner could assist our thriving nonprofit."

Harford Bank employees had been attending ICO's annual gala for years and making periodic contributions to the Inner County Outreach After



School Program, which is an initiative aimed at providing a safe, stimulating, and healthy environment for school-aged children. The program provides a holistic approach to after-school care, focusing not only on academic development, but also on social and emotional growth.

"That really stood out," says Johnson. "With our operating budget growing year over year, I felt we should have a banking partner who could more nimbly and attentively meet our needs. Harford Bank pays attention and they are proactive about what they can do to help us meet our goals. We're growing, and it's wonderful to trust that our banking institution can not only keep pace, but also genuinely wants to see us succeed."

In its 37-year history, ICO has provided millions in charitable assistance to more than 25,000 families. Now, Johnson says she is excited to advance the mission even further.

"We're eager to find more ways for people to use the force of intergenerational connections to meet community needs and fill in service gaps. We love finding new opportunities to help people—those already in the ICO family, and those we have yet to meet."

ABERDEEN FIRE DEPARTMENT

Cause and Effect: Lifesaving Investments in Safety

Operating since 1889, Aberdeen Fire Department has trusted its finances with Harford Bank for decades.

“They really understand our business,” says Fire Protection Engineer John Bender, who celebrates 62 years of active fire duty this year.

Remarkably, out of a corps of 58 active volunteer firefighters and 32 part-time (paid) emergency responders, nearly half of AFD’s personnel have been serving the department for more than 20 years, including one of Harford Bank’s own Board Members, Tony L. Bennett.

“We love being able to help people,” says Bender, who also serves on AFD’s Board of

Directors. “Here at the fire department, we get to see and feel the rewards of service to our community, and there’s nothing like it.”

In 2022, the Aberdeen Fire Department responded to 4,818 fire and rescue calls, an increase of 16% from just two years earlier. Battalion Chief Jeff Sexton attributes the uptick in demand to the growing needs of the community.

“There’s a lot of new development in Aberdeen. We have a new hospital, apartment buildings, businesses, and other construction underway,” he says.

Recognizing that AFD’s local fire and emergency services needed to keep pace with this growth, the department launched





The fire station's award-winning renovation includes a museum (above) dedicated to the department's 100+-year history. It is home to historic apparatus and memorabilia, and it hosts local schools and youth organizations for tours.

In addition to its four station houses AFD also hosts a fleet of 16 emergency vehicles, including three ambulances, five fire engines, a state-of-the-art ladder unit, and a heavy-duty rescue truck—which is one of just two such vehicles in the entire state of Maryland.

and recently completed \$9 million in modernization upgrades to its central Station House 1, one of its four brick-and-mortar locations in Aberdeen.

“This is a tight-knit town of friends, neighbors, and businesses. We all know one another, so naturally, we care deeply for the safety of the people who live and work here. As we were keeping an eye on the shifting demographics and the added challenges that were resulting from COVID-19, we decided it was vital that we make this investment.”

The immediate community impacts of the project include improved emergency response times and enhanced lifesaving capacity, thanks



to new, high tech internal alert and communications systems and expanded training and conditioning facilities.

These resources were put to the test most recently this year in a home kitchen fire that broke out in late February. An emergency call came in at 6:53 PM and firefighters from Station House 1 arrived on scene in under five minutes. The fire, which was spreading on arrival, was extinguished just 11 minutes after the initial call. Thanks to the quick dispatch of emergency services, the two adults and five children in the home were able to evacuate to safety without injury, and their home was able to be saved.

The department's last audit estimates that it

provides between \$7,000,000 and \$8,000,000 in volunteer services to Aberdeen annually. “Operating a fire department is costly,” says Bender. “So, I feel we’ve been very lucky to have our longstanding relationship with Harford Bank. They have always been supportive of us.”

“The close working relationship has meant that even when there is risk and expense to taking action that will enhance the quality of life in our town, we can ultimately feel confident that we are obligating our finances wisely in a way that is smart, prudent, and proactive,” he continues. “When it comes to our future and the community's safety, there's no greater sense of security than that.”

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"Community is our Strength"

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