

Appendix A - Reconciliation of Non-GAAP Financial Measures (Unaudited)

**Three Months Ended
March 31,
(Dollars in thousands, except per share data)**

	2020	2019
Adjusted Net Income		
Net income (GAAP)	2,286	2,889
Loss on sale of investments	-	297
Negative provision for loan losses	-	(450)
Tax effect of adjustments	-	40
Adjusted net income (Non-GAAP)	2,286	2,776
Adjusted Diluted Earnings Per Share		
Diluted earnings per share (GAAP)	0.36	0.46
Loss on sale of investments	-	0.05
Negative provision for loan losses	-	(0.07)
Tax effect of adjustments	-	0.01
Adjusted diluted earnings per share (Non-GAAP)	0.36	0.44
Adjusted Return on Average Assets		
Return on average assets (GAAP)	0.98%	1.36%
Loss on sale of investments	0.00%	0.14%
Negative provision for loan losses	0.00%	-0.21%
Tax effect of adjustments	0.00%	0.02%
Adjusted return on average assets (Non-GAAP)	0.98%	1.30%
Adjusted Return on Average Equity		
Return on average equity (GAAP)	9.84%	14.74%
Loss on sale of investments	0.00%	1.52%
Negative provision for loan losses	0.00%	-2.30%
Tax effect of adjustments	0.00%	0.20%
Adjusted return on average equity (Non-GAAP)	9.84%	14.16%
Adjusted Efficiency Ratio		
Efficiency Ratio (GAAP)	45.98%	52.71%
Loss on sale of investments	0.00%	2.10%
Adjusted efficiency ratio (Non-GAAP)	45.98%	50.60%