

Appendix B - Tax Equivalent Net Interest Margin Analysis (Unaudited)

	For the Three Months Ended March 31,					
	2020			2019		
	Average Outstanding Balance	Interest	Yield / Rate	Average Outstanding Balance	Interest	Yield / Rate
	(Dollars in thousands)					
Interest-earning Assets:						
Loans, including loans held for sale	\$ 810,039	10,198	5.06%	\$ 710,251	9,133	5.21%
Investments - taxable	46,178	265	2.31%	86,314	597	2.81%
Investments - tax exempt (1)	359	4	4.25%	-	-	0.00%
Interest earning deposits	30,064	51	0.68%	9,531	39	1.66%
Other investments, at cost	9,439	66	2.81%	8,549	75	3.56%
Total interest-earning assets	896,079	10,584	4.75%	814,645	9,844	4.90%
Noninterest earning assets	36,164			37,253		
Total assets	\$ 932,243			\$ 851,898		
Interest-bearing liabilities:						
Interest-bearing transaction accounts	\$ 20,837	26	0.50%	\$ 20,412	22	0.44%
Savings accounts	287,862	1,014	1.42%	282,717	1,019	1.46%
Money market accounts	60,622	201	1.33%	45,684	170	1.51%
Retail time deposits	167,514	878	2.11%	178,177	956	2.18%
Wholesale time deposits	113,949	483	1.70%	91,721	514	2.27%
Total interest bearing deposits	650,784	2,602	1.61%	618,711	2,681	1.76%
Federal Home Loan Bank advances	36,353	126	1.39%	37,978	206	2.20%
Senior debt	15,723	149	3.81%	16,000	194	4.92%
Total interest-bearing liabilities	702,860	2,877	1.65%	672,689	3,081	1.86%
Noninterest-bearing deposits	128,640			96,564		
Other noninterest-bearing liabilities	7,842			4,232		
Total liabilities	839,342			773,485		
Total shareholder's equity	92,901			78,413		
Total liabilities and shareholders' equity	\$ 932,243			\$ 851,898		
Tax-equivalent net interest income		7,707			6,763	
Net interest-earning assets (2)	\$ 193,219			\$ 141,956		
Average interest-earning assets to interest-bearing liabilities		127%			121%	
Tax-equivalent net interest rate spread (3)		3.10%			3.04%	
Tax equivalent net interest margin (4)		3.46%			3.37%	

(1) Tax exempt investments are calculated giving effect to a 21% federal tax rate

(2) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities

(3) Tax-equivalent net interest rate spread represents the difference between the tax equivalent yield on average interest-earning assets and the cost of average interest-bearing liabilities.

(4) Tax equivalent net interest margin represents tax equivalent net interest income divided by average total interest-earning assets