

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

	For the Three Months Ended June 30,					
	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	\$ 905,868	10,175	4.52%	\$ 727,874	9,534	5.20%
Investments - taxable	59,128	398	2.71%	69,768	471	2.68%
Investments - tax exempt (1)	9,264	85	3.68%	-	-	0.00%
Interest earning deposits	97,622	30	0.12%	11,250	51	1.80%
Other investments, at cost	36,514	88	0.97%	8,652	78	3.58%
Total interest-earning assets	1,108,396	10,776	3.91%	817,544	10,134	4.92%
Noninterest earning assets	38,802			39,289		
Total assets	\$ 1,147,198			\$ 856,833		
Interest-bearing liabilities:						
Interest-bearing transaction accounts	\$ 21,088	15	0.29%	\$ 21,305	28	0.52%
Savings accounts	283,692	564	0.80%	270,067	1,014	1.49%
Money market accounts	61,072	122	0.80%	48,293	189	1.55%
Retail time deposits	179,551	1,202	2.69%	180,183	1,005	2.21%
Wholesale time deposits	156,491	166	0.43%	111,964	656	2.32%
Total interest bearing deposits	701,894	2,069	1.19%	631,812	2,892	1.82%
Federal Home Loan Bank & FRB advances	120,934	73	0.24%	5,956	111	7.39%
Senior debt	15,168	150	3.98%	16,000	203	5.03%
Total interest-bearing liabilities	837,996	2,292	1.10%	653,768	3,206	1.95%
Noninterest-bearing deposits	203,192			113,574		
Other noninterest-bearing liabilities	9,807			7,197		
Total liabilities	1,050,995			774,539		
Total shareholders' equity	96,203			82,294		
Total liabilities and shareholders' equity	\$ 1,147,198			\$ 856,833		
Tax-equivalent net interest income		8,484			6,928	
Net interest-earning assets (2)	\$ 270,400			\$ 163,776		
Average interest-earning assets to interest-bearing liabilities	132%			125%		
Tax-equivalent net interest rate spread (3)	2.81%			2.97%		
Tax equivalent net interest margin (4)	3.08%			3.40%		

(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

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

	For the Six Months Ended June 30,					
	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	\$ 857,954	20,373	4.78%	\$ 719,111	18,667	5.23%
Investments - taxable	52,651	663	2.53%	77,996	1,068	2.76%
Investments - tax exempt (1)	4,814	89	3.70%	-	-	0.00%
Interest earning deposits	63,843	81	0.26%	10,395	89	1.73%
Other investments, at cost	22,975	154	1.35%	8,601	154	3.61%
Total interest-earning assets	1,002,237	21,360	4.29%	816,103	19,978	4.94%
Noninterest earning assets	37,483			38,276		
Total assets	\$ 1,039,720			\$ 854,379		
Interest-bearing liabilities:						
Interest-bearing transaction accounts	\$ 20,963	42	0.40%	\$ 20,861	50	0.48%
Savings accounts	285,777	1,578	1.11%	276,357	2,033	1.48%
Money market accounts	60,846	323	1.07%	46,996	359	1.54%
Retail time deposits	173,529	1,778	2.06%	179,185	1,960	2.21%
Wholesale time deposits	135,223	950	1.41%	101,899	1,171	2.32%
Total interest bearing deposits	676,338	4,671	1.39%	625,298	5,573	1.80%
Federal Home Loan Bank & FRB advances	78,643	198	0.51%	21,879	317	2.92%
Senior debt	15,428	299	3.90%	16,000	397	5.00%
Total interest-bearing liabilities	770,409	5,168	1.35%	663,177	6,287	1.91%
Noninterest-bearing deposits	165,927			105,125		
Other noninterest-bearing liabilities	8,809			5,757		
Total liabilities	945,145			774,059		
Total shareholders' equity	94,575			80,320		
Total liabilities and shareholders' equity	\$ 1,039,720			\$ 854,379		
Tax-equivalent net interest income		16,192			13,691	
Net interest-earning assets (2)	\$ 231,828			\$ 152,926		
Average interest-earning assets to interest-bearing liabilities	130%			123%		
Tax-equivalent net interest rate spread (3)	2.94%			3.02%		
Tax equivalent net interest margin (4)	3.25%			3.38%		

(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