

# Orrstown Financial Services, Inc.



**This is Your Town; This is Our Town; This is Orrstown**

Celebrating 101 Years as an Independent Community Bank By Investing for the Future

Presentations Given First Quarter 2020

# Cautionary Note Regarding Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements reflect the current views of the Company's management with respect to, among other things, future events and the Company's financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “forecast,” “goal,” “target,” “would” and “outlook,” or the negative variations of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond the Company's control. Accordingly, the Company cautions you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements and there can be no assurances that the Company will be able to continue to successfully execute on our strategic growth plan into Dauphin, Lancaster, York and Berks counties, Pennsylvania, and the greater Baltimore market in Maryland, with newer markets continuing to be receptive to our community banking model; to take advantage of market disruption; and to experience sustained growth in loans and deposits or maintain the momentum experienced to date from these actions; and to realize cost saves from our branch consolidation efforts. Factors which could cause the actual results of the Company's operations to differ materially from expectations include, but are not limited to: ineffectiveness of the Company's strategic growth plan due to changes in current or future market conditions; the effects of competition and how it may impact our community banking model, including industry consolidation and development of competing financial products and services; the integration of the Company's strategic acquisitions; the inability to fully achieve expected savings, efficiencies or synergies from mergers and acquisitions, or taking longer than estimated for such savings, efficiencies and synergies to be realized; changes in laws and regulations; interest rate movements; changes in credit quality; inability to raise capital, if necessary, under favorable conditions; volatilities in the securities markets; deteriorating economic conditions; expenses associated with pending litigation and legal proceedings; and other risks and uncertainties, including those set forth under the heading "Risk Factors" in the Company's 2018 Annual Report on Form 10-K and subsequent filings. The foregoing list of factors is not exhaustive.

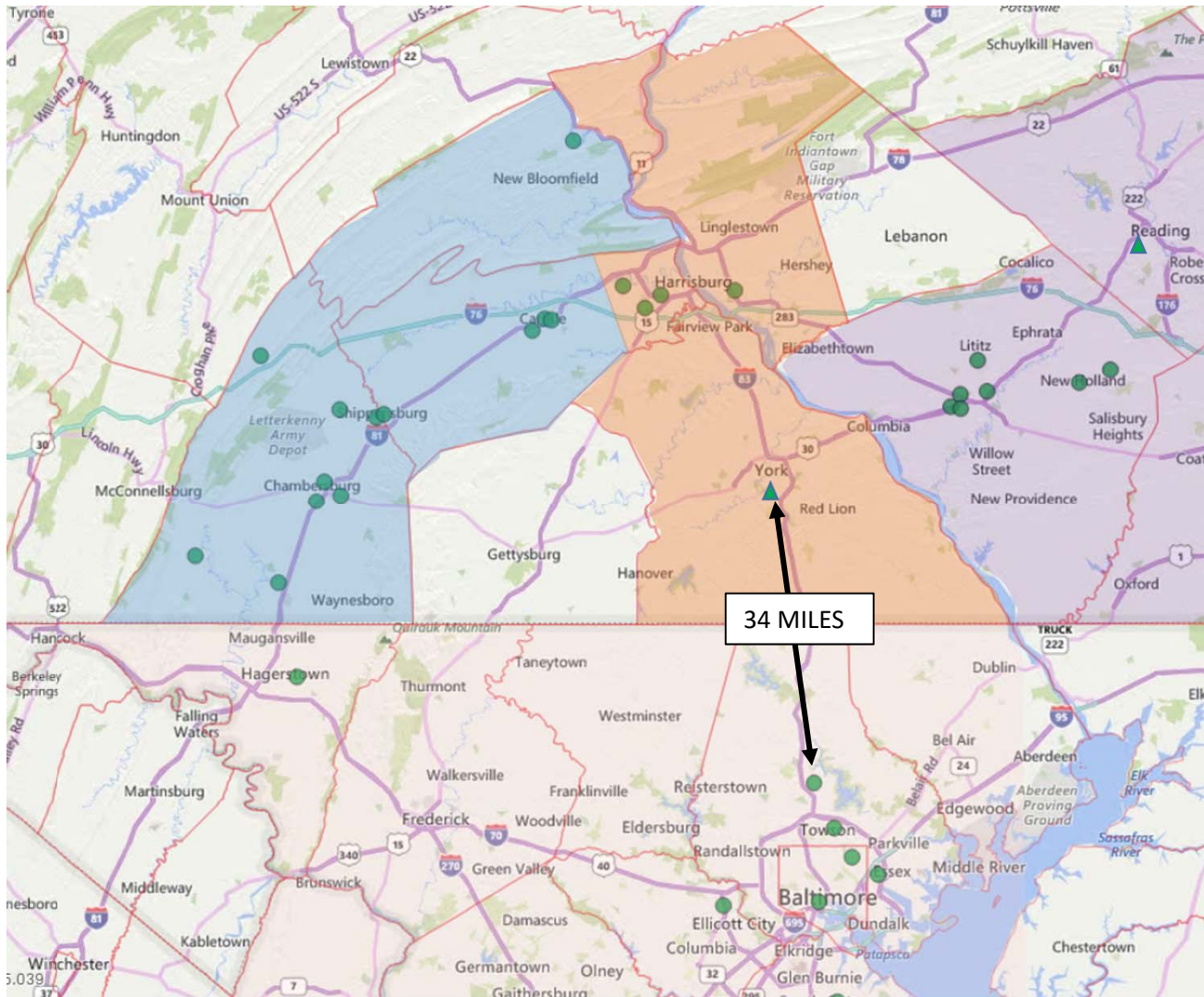
If one or more events related to these or other risks or uncertainties materialize, or if Orrstown's underlying assumptions prove to be incorrect, actual results may differ materially from what Orrstown anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and Orrstown does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise. New risks and uncertainties arise from time to time, and it is not possible for Orrstown to predict those events or how they may affect it. In addition, Orrstown cannot assess the impact of each factor on Orrstown's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements, expressed or implied, included in this document are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Orrstown or persons acting on Orrstown's behalf may issue. Annualized, pro forma, projected, and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results. In addition, please refer to the Risk Factors listed in Orrstown's 2018 Annual Report on Form 10-K and subsequent filings.

# Non-GAAP Measures Disclosure

In this presentation we refer to adjusted net income, excluding net securities gains, and branch consolidation expenses, and net interest margin, excluding the impact of purchase accounting adjustments for interest accretion, which are non-GAAP measures. For a reconciliation of these non-GAAP measures to GAAP results and our rationale for usage of non-GAAP measures, see the appendix in this presentation.

We also refer to the Efficiency Ratio as computed and provided by S&P Global Market Intelligence, an organization that provides financial and industry data and analytics to individuals, companies and governments. The appendix in this presentation includes a reconciliation of the data elements used by S&P Global Market Intelligence in their calculations.

# Company Overview



Key Performance Indicators (at 12/31/2019)	
Market Cap	\$253.3 million
Assets	\$2.4 billion
Loans	\$1.6 billion
Deposits	\$1.9 billion
Net Interest Margin	3.43%
ROAE	0.76%
ROAA	8.21%
Efficiency Ratio	70.5%

- Four geographic regions: Market Presidents have full authority and autonomy (within ERM guidelines)
- Markets connected by Interstate 81 and 83 corridors
- Market Presidents are all seasoned best-in-class bankers

LEGEND	
Southern Region	
Central Region	
Eastern Region	
Maryland Region	
Full Service Branch	
Loan Production Office	

1. At close of business 12/31/2019 : \$22.62/share x 11,199,874 shares outstanding; All other information as publicly reported as of 12/31/2019 or S&P Market Intelligence

# Company Overview (continued)

## GROWING REGIONAL FINANCIAL INSTITUTION

- Favorable regional demographics in both South Central Pennsylvania and Maryland
- Continue to benefit from market disruption in PA and seeing similar benefit in MD
- Market President organizational structure; benefitting from mix of talent from larger FI's and solid legacy sales force
- Executive leadership from more complex FI's and have M&A experience

## BUSINESS MODEL

- Focus on commercial lending and deposit gathering
- Trust, Wealth Management, and Brokerage at \$1.6 billion in total assets under management and strong upside growth potential
- Solid mortgage business<sup>1</sup> and retail distribution network not fully leveraged yet
- Super Community Bank leader in technology investments; over \$5 million last 5 years
- Maintain strong enterprise risk management and credit culture
- Maintain disciplined expense control with investments focused on revenue generating initiatives
- Reposition and reinvest in franchise
- Deliver long-term value

## WELL POSITIONED FOR SUSTAINED GROWTH

- Attractive and expanding footprint
- Ready access to capital markets
- Expansion into growth markets to south and east
  - Organic expansion
  - Two acquisitions successfully integrated over last 12 months
- Experienced management team
- Structure, technology, processes, and procedures of a much larger organization

## WINNING THE TALENT WAR

- Employer of choice in our markets and consistently attracting superior customer-facing talent
- Organization has philosophy of continual talent upgrades:
  - 55% of employees with organization 5 years or less
  - Investments in Learning and Development ("Orrstown University")

1. Average mortgage at former Hamilton Bank \$403,000 vs. \$202,000 in legacy Orrstown markets

# Experienced Leadership Team

Name/Title	Banking Experience	Joined ORRF	Experience / Disciplines	Prior Experience
<b>Thomas R. Quinn, Jr.</b> <i>President &amp; CEO</i>	29 years	2009	CEO   Strategy   Sales   Executive	Citi, Fifth Third
<b>Thomas R. Brugger</b> <i>EVP/Chief Financial Officer</i>	28 years	2019	Finance   Treasury   Strategy   Executive	Sun National, Customers, Sovereign
<b>Barbara E. Brobst</b> <i>EVP/Chief Human Resources Officer</i>	37 years	1997	HR   Training   Trust   Executive	Financial Trust
<b>Robert G. Coradi</b> <i>EVP/Chief Risk Officer</i>	31 years	2012	Risk   Credit   Operations   Executive	Susquehanna
<b>Philip E. Fague</b> <i>EVP/Trust and Wealth Management</i>	31 years	1988	Mortgage   Trust   Lending   Executive	Orrstown Bank
<b>Robert Fignar</b> <i>EVP/Operations, Technology, Logistics</i>	33 years	2018	CEO   Strategy   Sales   Executive	FCBM
<b>Jeffrey S. Gayman</b> <i>EVP/Market President</i>	23 years	1996	Lending   Retail   Executive	Orrstown Bank
<b>Christopher Holt</b> <i>EVP/Market President</i>	30 Years	2019	Lending   Retail   Executive	BB&T, Susquehanna
<b>David T. Hornberger</b> <i>EVP/Market President</i>	33 years	2016	Lending   Retail   Executive	Susquehanna, Graystone/Tower
<b>Zachary Khuri</b> <i>EVP/Market President</i>	11 years	2019	Lending   Retail   Executive	FNB, Metro
<b>Adam L. Metz</b> <i>EVP/Chief Lending Officer</i>	23 years	2016	Lending   Retail   Executive	Metro, M&T
<b>Luke Bernstein</b> <i>EVP/Chief Retail Officer</i>	5 years	2017	Communications   Executive   Retail	PBA, Office of Governor, Prudential Securities
<b>Matthew C. Schultheis, CFA</b> <i>SVP/IR and Strategic Planning</i>	25 years	2019	Investor Relations   Strategy   Research	Boenning & Scattergood, Ferris, Baker, Watts, Allfirst

# Demographics Trends & Market Share...

## Orrstown Financial Services, Inc.

### Current Footprint

Geography	2020 Households (#)	5 Year Proj. Gr. (%)	2020 Median HHI (\$)	2020 Businesses (#)	May '19 Unemploy (%)	Entered Market (Year)	Branch Count (#)	Market Share (%)
Cumberland, PA	103,264	3.55	73,270	9,335	3.4	1919	7	9.39
Dauphin, PA	115,602	1.96	66,540	11,833	4.1	2016	1	0.60
Franklin, PA	60,450	1.44	67,030	5,544	4.2	1919	8	22.72
Lancaster, PA	205,626	2.29	69,608	19,739	3.4	2013	7	0.97
Perry, PA	18,253	1.11	69,103	1,424	4.1	2006	1	14.44
<b>Pennsylvania</b>	<b>5,110,212</b>	<b>0.80</b>	<b>64,654</b>	<b>496,809</b>	<b>4.6</b>			
Anne Arundel, MD	217,334	3.72	103,745	20,430	2.5	2019	1	0.42
Baltimore, MD	324,746	1.58	80,027	28,508	3.0	2019	3	1.17
Baltimore, MD (City)	241,282	-1.11	52,534	22,617	4.2	2019	2	0.28
Howard, MD	120,273	5.08	119,437	11,530	2.2	2019	1	0.47
Washington, MD	56,913	1.87	64,813	5,612	3.2	2008	1	1.60
<b>Maryland</b>	<b>2,265,674</b>	<b>2.41</b>	<b>87,818</b>	<b>216,949</b>	<b>3.0</b>			
<b>USA</b>	<b>125,476,002</b>	<b>3.45</b>	<b>66,010</b>	<b>12,492,759</b>	<b>3.4</b>			
Berks, PA	157,402	1.25	66,616	15,067	4.4	Serviced through Eastern Region		
York, PA	174,095	1.58	69,716	14,726	3.8	LPO opened 2018; Part of Central Region		
Carroll, MD	61,394	2.02	101,065	6,170	2.4	Serviced through Maryland Region		
Frederick, MD	95,182	5.03	97,619	9,478	2.7	Serviced through Maryland Region		

Source: S&P Global Market Intelligence; Market share data as of June 30, 2019

- Market share in legacy markets remains strong
- Newer markets have favorable size and demographic trends compared to legacy markets
- 70.1% of aggregate market deposits controlled by 6 banks—all with assets greater than \$50.0 billion
- Significant dislocation continues in all Orrstown's new markets

# ...In an Unsettled Market

Buyer/ Target Name	Status	Announce Date	Target State	Merger of Equals	Deal Value (\$mm)	Acq. Branches (#)	Target Assets (\$mm)	Target Deposits (\$mm)
Howard Bancorp, Inc./Patapsco Bancorp, Inc.	Completed	03/03/15	MD	No	10.1	4	226.4	183.5
Hamilton Bancorp, Inc./Fairmount Bancorp, Inc.	Completed	04/16/15	MD	No	15.4	1	79.6	54.6
Kopernik Bank/Kosciuszko Federal Savings Bank	Completed	06/03/15	MD	No	0.0	1	12.1	9.6
Citizens Financial Services, Inc./First National Bank of Fredericksburg	Completed	06/30/15	PA	No	22.1	7	232.4	214.1
F.N.B. Corporation/Metro Bancorp, Inc.	Completed	08/04/15	PA	No	474.0	32	3,001.4	2,368.7
Old Line Bancshares, Inc./Regal Bancorp, Inc.	Completed	08/05/15	MD	No	5.6	4	133.7	107.0
BB&T Corporation/National Penn Bancshares, Inc.	Completed	08/17/15	PA	No	1,830.0	129	9,604.3	6,733.5
Hamilton Bancorp, Inc./Fraternity Community Bancorp, Inc.	Completed	10/13/15	MD	No	27.0	3	161.4	112.1
Revere Bank/BlueRidge Bank	Completed	10/19/15	MD	No	20.1	2	205.1	180.6
Bay Bancorp, Inc./Hopkins Bancorp, Inc.	Completed	12/18/15	MD	No	23.2	2	239.7	203.4
Kopernik Bank/Liberty Bank of Maryland	Completed	02/20/16	MD	No	0.0	2	38.2	30.2
Revere Bank/Monument Bank	Completed	05/03/16	MD	No	65.1	4	513.8	405.1
ACNB Corporation/New Windsor Bancorp, Inc.	Completed	11/22/16	MD	No	33.3	7	311.1	272.9
Old Line Bancshares, Inc./DCB Bancshares, Inc.	Completed	02/01/17	MD	No	40.7	6	311.0	277.8
Kopernik Bank/Saint Casimir's Savings Bank	Completed	02/06/17	MD	No	0.0	4	88.0	67.2
Rosedale Federal Savings and Loan Association/Midstate Community Bank	Completed	02/15/17	MD	No	0.0	1	168.7	144.5
Riverview Financial Corporation/CBT Financial Corporation	Completed	04/20/17	PA	Yes	50.0	12	488.1	423.3
Howard Bancorp, Inc./1st Mariner Bank	Completed	08/15/17	MD	No	163.4	14	975.2	770.8
Old Line Bancshares, Inc./Bay Bancorp, Inc.	Completed	09/27/17	MD	No	128.6	13	645.9	535.9
Juniata Valley Financial Corp./Liverpool Community Bank	Completed	12/29/17	PA	No	0.0	1	46.4	36.2
Orrstown Financial Services, Inc./Mercersburg Financial Corporation	Completed	05/31/18	PA	No	32.4	6	184.0	160.7
Northwest Bancshares, Inc./Donegal Financial Services Corp.	Completed	06/12/18	PA	No	85.0	14	577.4	490.2
LinkBancorp, Inc/Stonebridge Bank	Completed	06/26/18	PA	No	1.1	2	57.7	53.5
BV Financial, Inc. (MHC)/Kopernik Bank	Completed	08/29/18	MD	No	0.0	4	157.7	112.6
Orrstown Financial Services, Inc./Hamilton Bancorp, Inc.	Completed	10/23/18	MD	No	58.5	7	525.3	404.5
WesBanco, Inc./Old Line Bancshares, Inc.	Completed	07/23/19	MD	No	500.1	37	3,075.6	2,384.5
BV Financial, Inc. (MHC)/MB Bancorp, Inc.	Pending	09/05/19	MD	No	31.0	3	147.1	94.9
Sandy Spring Bancorp, Inc./Revere Bank	Pending	09/24/19	MD	No	460.7	11	2,626.7	2,127.8

Source: S&P Global Market Intelligence



# 2015-2019: Strategic Investments Continue



## 2015

Investments in customer-facing talent to take advantage of significant market disruption:

- Cash Management Team
- Commercial Lender lift outs begin
- First investment in Lancaster County
- “Acquisition without the intangibles”

## 2016

Investments in customer-facing talent continue:

- 14 new customer-facing hires
  - Continue franchise expansion east of Susquehanna River (Lancaster and Dauphin counties)
- Opened <1,000 sq. ft. “one drawer” branch at HRO. Currently exceeds \$40MM in deposits.

## 2017

Reaped rewards of previous investments:

- Continued organic expansion with double digit loan and deposit growth
- Maintain LTD ratio in low to mid 80% range
- Improved Efficiency ratio by 870-plus bps
- 1Q17 to 4Q17 NIM improvement

## 2018

- First acquisition announced: Mercersburg Financial Corp.
- Second acquisition announced: Hamilton Bancorp
- Continued organic growth: three new branches opened in Lancaster, LPO in York
- Continued strong Y-O-Y performance (NI +40%)
- Closed Mercersburg in 4Q18

## 2019

- Successful Mercersburg core conversion Q1 and exceeded 45% cost reduction goal
- Closed Hamilton in Q2 and successful core conversion in Q3
- Market President for Maryland market joined in July
- Reinvested Hamilton cost saves into commercial team of 7
- CFO joined in July
- Announced closure of 5 financial centers and sale of ~50,000 sq. ft. of excess capacity<sup>1</sup>

## KEY TAKEAWAYS

- Experienced management team began investing in franchise expansion earlier than competition: “Investments in technology and talent”
- “The channel suggested Orrstown won the hiring bonanza following a spate of acquisitions in its market”
- Truist MOE, Sandy Spring/Revere and other acquisitions presents same opportunity in Maryland market
- Strategic plan anticipates combination of continued organic growth and an eye toward acquisition opportunities

5 branches closed effective 1/31/2020; North Pointe Operations Center (50,000 excess sq. ft. capacity) scheduled for sale in Q2 2020

# Peer Profitability Comparison

## As a Percentage of Average Assets

	Peers <sup>1</sup>	Orrstown Q4 2019
Net Interest Income	3.30%	3.06%
- Loan Loss Provision	0.13%	0.00%
+ Noninterest Income	0.97%	1.20%
<u>-Noninterest Expense</u>	<u>2.70%</u>	<u>3.36%</u>
Pretax Net Income	1.45%	0.90%
-Income Tax Expense	0.29%	0.18%
<u>- Preferred Dividends/Discontinued Operations</u>	<u>(0.01)%</u>	<u>0.00%</u>
GAAP Net Income	1.17%	0.72%
-Net Securities Gains & Other	0.02% <sup>2</sup>	0.00% <sup>2</sup>
<u>+ Branch Consolidation Costs &amp; Other</u>	<u>0.03%</u> <sup>3</sup>	<u>0.13%</u> <sup>3</sup>
<b>Adjusted Net Income</b>	<b>1.18%</b> <sup>4</sup>	<b>0.85%</b> <sup>4</sup>

Current below-peer returns are a result of prior investments that have yet to mature, but...

...there is a path to improving returns.

- Branch optimization
- Improve Balance Sheet Mix
- Enhance Fee Income

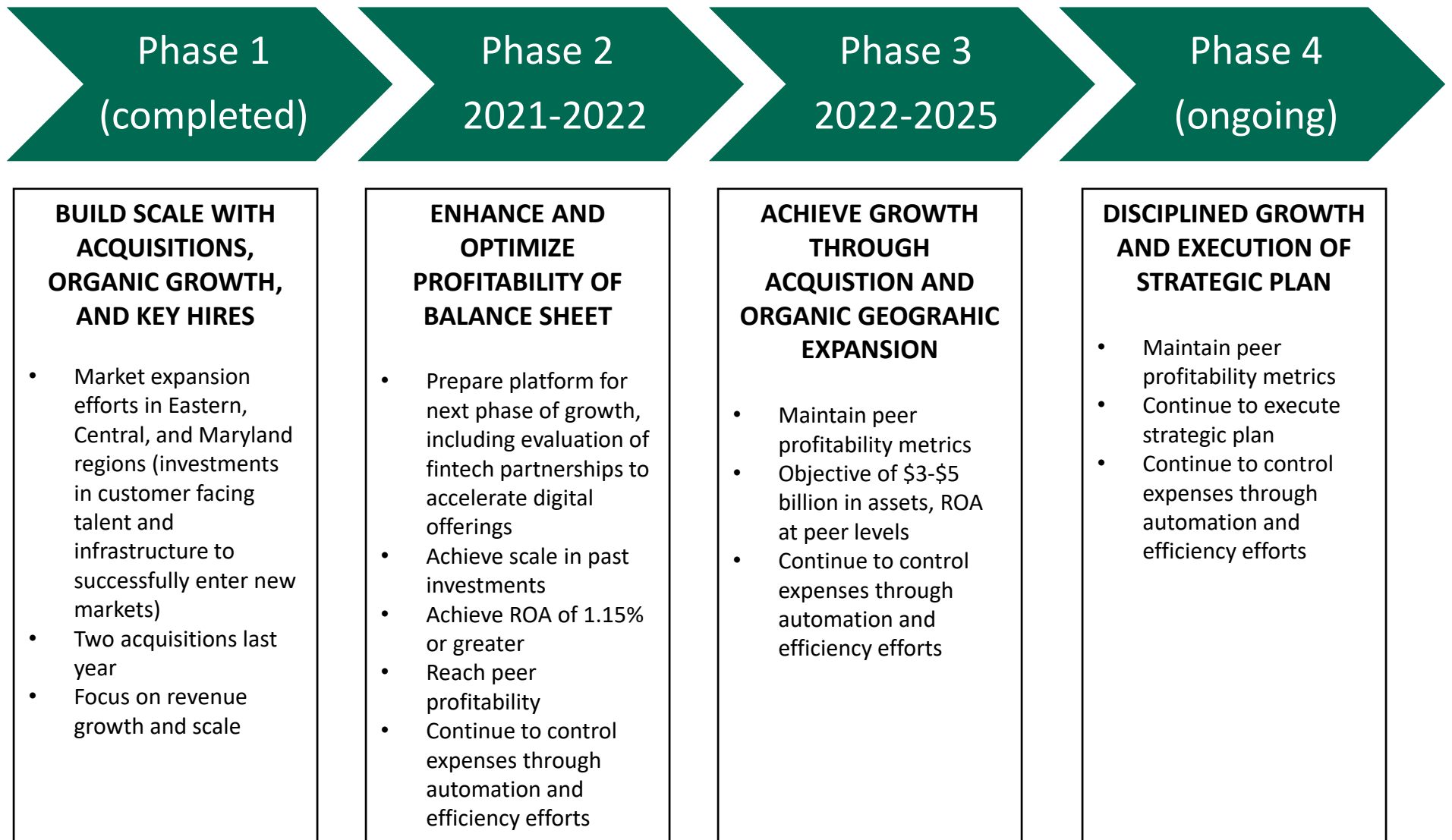
1. Peers as listed in Orrstown Financial Services, Inc. Proxy Statement dated March 22, 2019—ACNB, AMNB, AROW, BCBP, BMT, CFFI, CHMG, CZNC, CCNE, CVLY, EVBN, FCBC, FUNC, MPB, Old Line Bancshares, Inc., PGC, PWOD, PFIS, SHBI, SONA, UVSP. Peers shown as average over 18 months.
2. Adjusted at 21.0% statutory tax rate
3. For Orrstown adjusted for \$1.0 million of branch consolidation costs at 21.0% statutory tax rate; peers may include merger-related and other costs
4. A non-GAAP measure—see the GAAP to non-GAAP reconciliations for Orrstown in the Appendix

# Path to Improving Profitability

- **Continuation of execution of growing the relationship community bank**
  - Expand loan origination capacity with 3 new lending teams and invest in new locations (York County, Central Region, Maryland Region) in target markets
- **Branch efficiency optimization** using new continuous assessment process to identify underperforming locations
  - Previously announced closure of 5 branches completed in Q1 2020 and sale of ~50,000 sq. ft. of excess real estate
  - Scale branches in Eastern Region (Lancaster and Berks Counties) and Central Region (Dauphin and York Counties and West Shore) to full potential
  - Optimize Maryland branch network
- **Balance sheet mix optimization** with the goal of expanding the net interest margin
  - Grow relationship C&I, CRE and cash management deposits
  - Reduce on balance sheet mortgages; sell new production
  - Reduce investment portfolio concentration & wholesale funding
- **Fee income enhancement**
  - Expand mortgage banking origination capacity leading to higher gain on sale fees (in market branch referrals and in market LPO's)
  - Expand Trust & Wealth Management into Maryland & continue expansion into Lancaster
  - Continue rollout of offering interest rate hedging solutions for commercial clients
  - Focus on growth in interchange revenue and other retail services

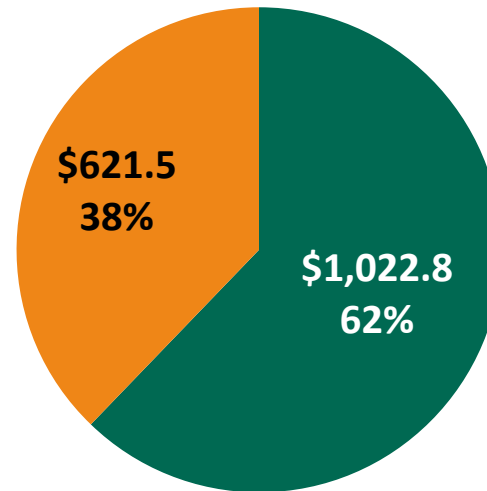
***Objective is to improve ROA; achieve peer median in 2-3 years***

# Long Term Phases of Growth



# Geographic Source of Loans

Total Loans at 12/31/2019



■ All Other Markets   ■ Legacy Markets

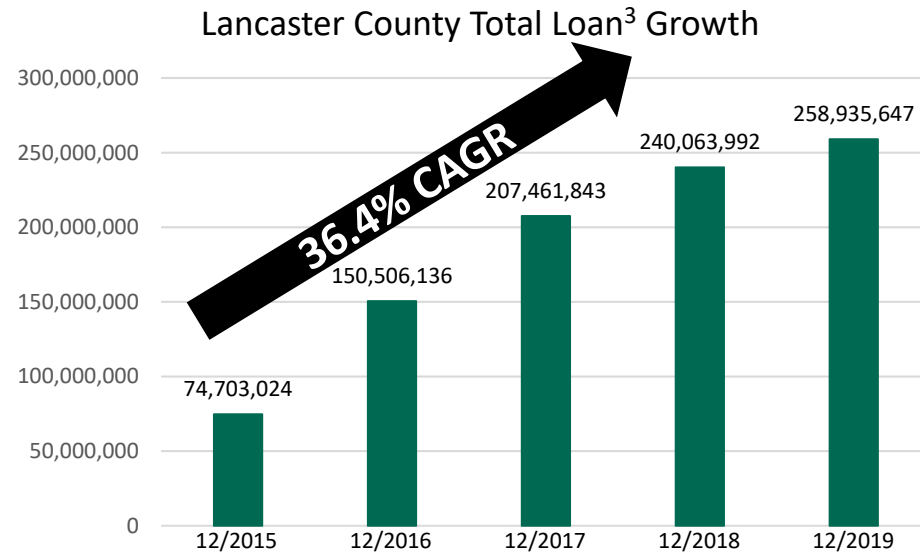
- Our Legacy market continues to be a material source of interest income. However, newer markets (Eastern, Central, and Maryland) now account for nearly 2/3rds of total loan outstandings.
- Newer markets are replicating hub and spoke model that has been successful in legacy markets.

Legacy Markets defined as branches in Cumberland, Franklin, and Perry Counties in Pennsylvania and Washington County, MD. Total loan outstandings includes commercial, small business, and consumer loans.

# Proven Track Record of Organic Expansion in New Markets

Branch (County)	Months Open	Current Deposits <sup>1</sup>
Rohrerstown Rd (Lancaster) <sup>2</sup>	56	\$47,805,426
Manheim Pike (Lancaster)	33	\$30,827,303
New Holland (Lancaster)	29	\$25,670,376
Olde Hickory (Lancaster)	17	\$12,873,848
Shady Maple (Lancaster)	12	\$15,997,555
Lititz (Lancaster)	13	\$5,261,365
The Crossings (Lancaster)	12	\$3,226,292
<b>Lancaster County Deposits</b>		<b>\$141,662,165</b>

Branch (County)	Months Open	Current Deposits <sup>1</sup>
Market St. (Cumberland) <sup>4</sup>	38	\$139,052,543
HRO (Dauphin)	36	\$41,435,991

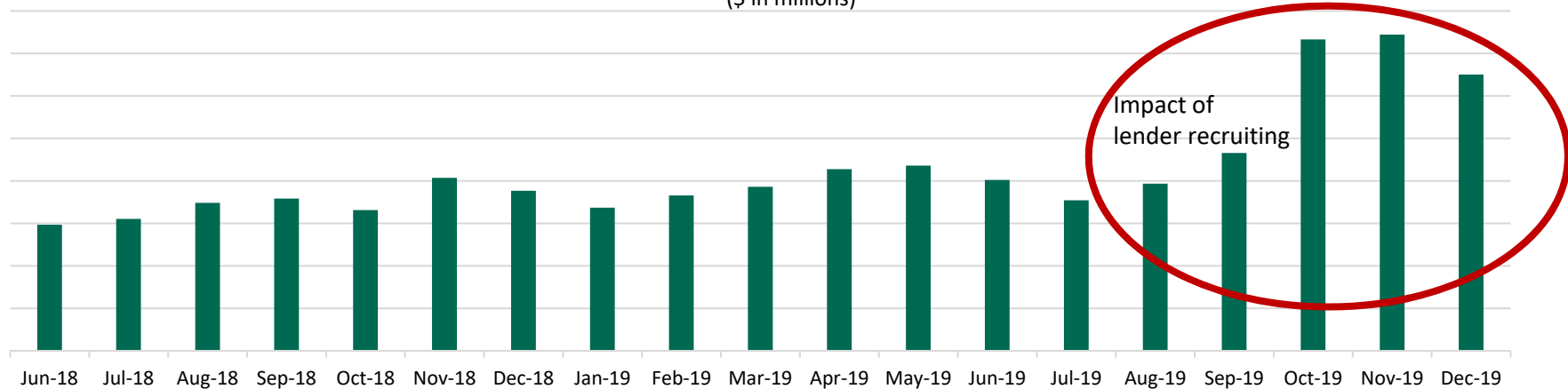


- Since entering Lancaster County in 2015, our results have demonstrated the effectiveness of our Market President Model
- Nine most recent branch locations opened tracking favorably to internal growth projections
- Market disruption in Maryland should provide favorable tailwind, similar to Lancaster County

<sup>1</sup> Current deposits as of 12/31/2019 utilizing same methodology as FDIC reporting; <sup>2</sup> Rohrerstown Rd. branch opened 11/12/13 as an LPO-- approval for deposit gathering was 6/1/2015; <sup>3</sup> Total loans outstanding is total of all loan types (commercial, consumer, mortgage) originated in Lancaster market, excluding loans that were subsequently re-domiciled to Lancaster County branches due to customer preference. <sup>4</sup> Camp Hill branch was short distance relocation to superior location; Prior to relocation total deposits were \$31.0 million.

# 2019: Investments in Organic Expansion

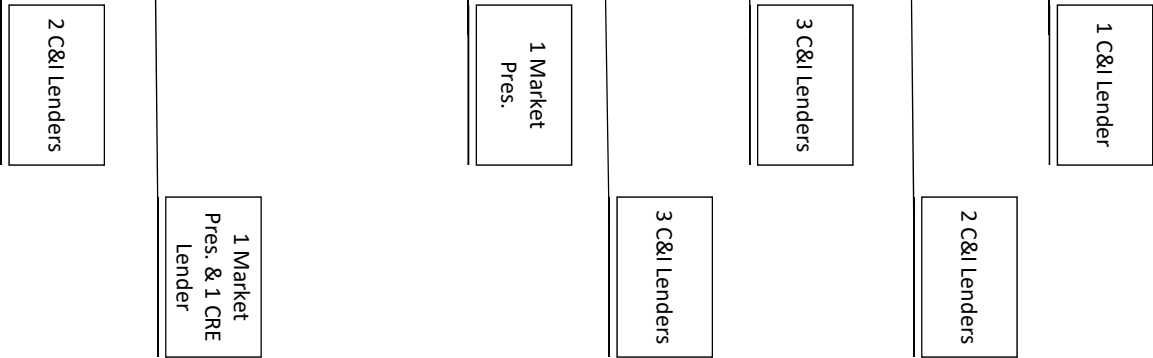
Commercial Pipeline Trend  
(\$ in millions)



## Recruiting Philosophy:

Recruit experienced market presidents from regional and super-regional banks.

Give them the authority and responsibility to recruit lending, branch, mortgage, and wealth management talent to build the business within a disciplined and established ERM framework.



- 14 Commercial Lenders added since Q2 2019 (26 total commercial lenders in organization<sup>1</sup>) Pipeline has grown by nearly \$150 million since July

1. Total Commercial Lenders includes four Market Presidents and Chief Revenue Officer; it does not include small business lending specialists who generally handle credits of \$500,000 or less. Three of the 26 commercial lenders are CRE specialists, the remaining 23 are C&I lenders

# Favorable Conditions for Success in Maryland

## HIGHLIGHTS

- Strategically located in the Mid-Atlantic, Baltimore is the 20<sup>th</sup> most populated MSA in the nation
- Significant market disruption expected from **BB&T/SunTrust, Old Line/WesBanco, Sandy Spring/Revere** mergers
- Greater Baltimore’s growth has outpaced Philadelphia, Chicago and Detroit
- Greater Baltimore has become a leading U.S. metro area for the start-up and growth of new businesses, ranking 3<sup>rd</sup> and 5<sup>th</sup> respectively
- Greater Baltimore is the 4<sup>th</sup> most educated region among the nation’s large metropolitan areas
- Greater Baltimore is home to more than 30 colleges and universities
- In the last five years, professional, scientific and technical service contract dollars have increased more than 60%
- Thriving port and easy access via rail, air and highways; connected to legacy markets by Interstate 83

## GREATER BALTIMORE – TOP 10 EMPLOYERS<sup>1</sup>

Company	# of Employees	Business
Johns Hopkins University	25,869	Education
Johns Hopkins Health System	22,142	Health Care
University of Maryland Medical System	19,500	Health Care
MedStar Health	12,385	Health Care
Lifebridge Health	9,959	Health Care
Northrop Grumman Corp.	8,925	Manufacturing
Wal-Mart Stores Inc.	7,506	Retail
Exelon Corp.	5,284	Utilities
Giant Food LLC	5,075	Retail
Mercy Health Services	5,015	Health Care

## BALTIMORE COUNTY – FEATURED HEADQUARTERS



Source: Economic Alliance of Greater Baltimore; Baltimore Business Journal, 2016-2017; Baltimorecountymd.gov; Commerce.Maryland.gov 1 Only private sector (non-government) employers are included

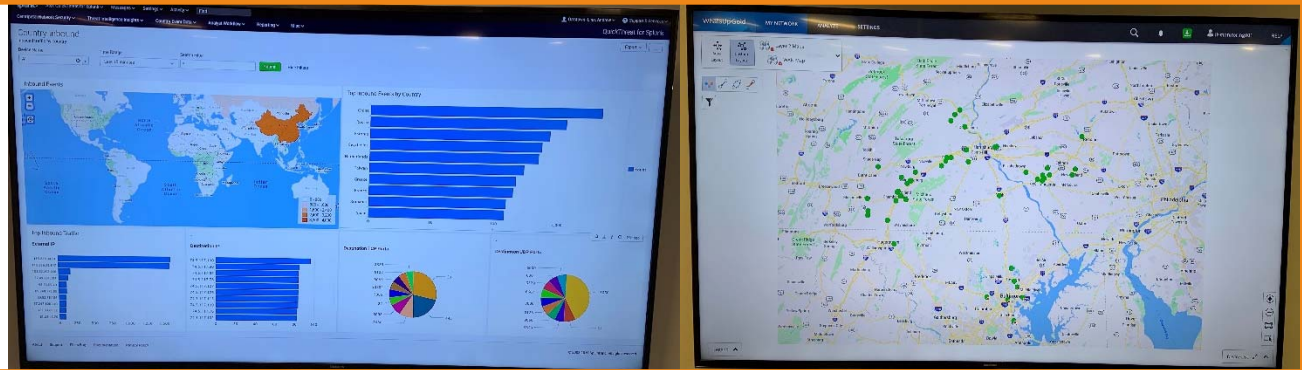


# Continued Technology Investments are Priority

## Data as a Differentiator

### Defensive capabilities:

- Real-time monitoring of malicious actor penetration attempts (left)
- Real-time monitoring of network, core, and ancillary systems by location (right)



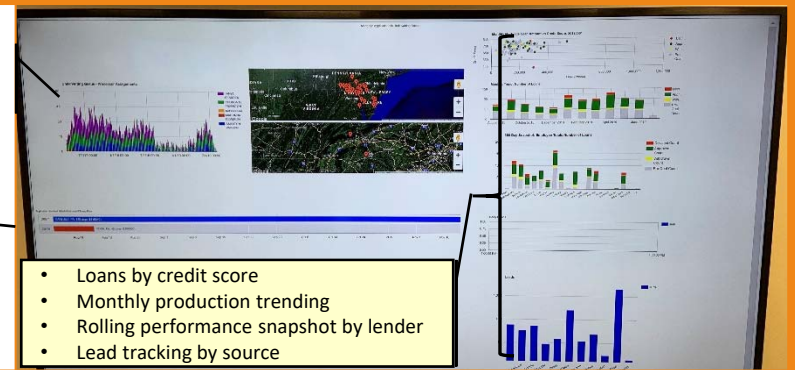
## Data as a Differentiator

### Offensive capabilities:

- Beginning to use artificial intelligence based on client behavior to predict additional products/services
- Real-time monitoring of KPIs vs. goal/pace for all lines of business (example to right: mortgage business)

Underwriting queue by processor and status

Individual deal queue (days from application to close)



Data driven organization with focus on delivering key real-time data to our customer-facing teams

More than \$5 million in foundational investments since 2014:

- Scalable with minimal incremental near to mid-term investment required
- Focus on building blocks and enterprise risk management / cyber security
- Significant investments in distance learning hardware and software

One of only two banks in 3<sup>rd</sup> Federal Reserve district with remote loan review (recently completed third remote review)

# ESG Focus

Orrstown Bank's ESG focus begins with our Core Values:

- **ACCOUNTABLE:** We are accountable to our clients and each other
- **COMMUNICATE:** We strive to communicate timely and clearly with openness and respect
- **COMMUNITIES:** We are actively engaged in our communities
- **INNOVATE:** We constantly strive to innovate and are committed to continuous improvement
- **INTEGRITY:** We act with integrity to earn the trust of our clients and the communities we serve

Mission Statement:

We create value for our shareholders by providing outstanding client experiences through community engagement and local decisions from people you know and trust

# Environmental

## General Philosophy

Environmental responsibility is in alignment with strong business practices and our core values. Being good stewards of the environment, reducing energy consumption and eliminating waste through proactive and conscious planning reduces costs, enhances our profitability and helps mitigate negative environmental impacts.

## Specific Items

- \$8.6 million in loan outstandings for projects that foster positive environmental stewardship (e.g. renewable energy, recycling, etc.)<sup>1</sup>
- \$164.6 million in small business/Agriculture, SBA 7(a) or 504 (CRE) loans
- \$6.9 million in PACE (Federal energy efficiency program) investments
- Recycling programs at all facilities
- Energy efficiency initiative 50% complete and to be completed in 2020<sup>2</sup>
- No direct exposure to fracking or oil extraction industry

1. Current exposure at 11/30/2019 for renewable energy and similar; all loan balances cited above as of 11/30/2019. 2. Branch energy efficiency refresh, including LED lighting, etc.

# Social

## General Philosophy

- As a community bank, caring for our communities is not a policy, it's part of our DNA and our social responsibilities are included in our mission statement and core values.

## Specific Items

- First time homebuyer program and outreach
- Free no minimum balance checking
- SBA lender
- Participant in Baltimore's Healthy Neighborhoods program
- \$12.0 million in loans to non-profits
- Financial literacy programs (kids banking and student banking) launched in April 2019. 43 presentations to classroom since inception
- Significant volunteer activity and leadership of socially conscious community organizations
- Educational Improvement Tax Credit ("EITC") commitments of \$750,000 in 2020 (have participated in Commonwealth of Pennsylvania's EITC program since its inception)
- Socially responsible investment portfolio:
  - \$33.5 million in municipal revenue bonds for hospitals and school districts
  - \$11.3 million in affordable housing programs
  - \$201 million in student loans (40% of portfolio)
- Feet-on-the-ground approach to disaster relief. Filled, drove, and delivered full tractor trailer loads of needed supplies for three different recent hurricanes in Texas, the Carolinas, and the Florida Keys area
- Make A Wish Foundation sponsorship

EITC tax credits are subject to biennial approval by the Commonwealth of Pennsylvania's Department of Community and Economic Development.

# Governance

## General Philosophy

- Our Governance worldview is best summarized in our Mission statement: We create value for our shareholders by providing outstanding client experiences through community engagement and local decisions from people you know and trust.
  - Our Board actively assesses the Company's strategic direction, growth, financial performance, and risks
  - We work to align executive compensation with building a company for the long-term benefit of shareholders

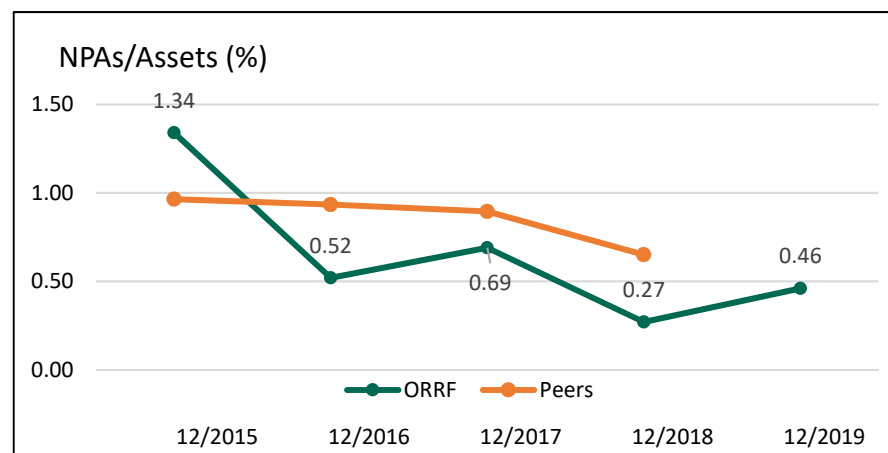
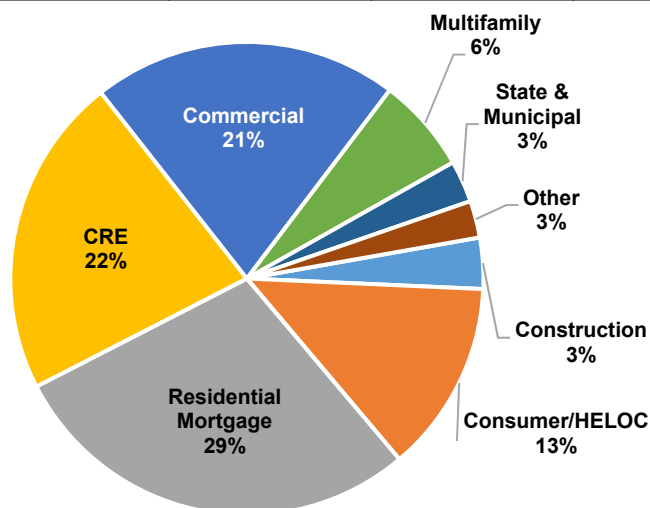
## Specific Items

- Board Composition:
  - 91.0% of Board members are independent directors; some live outside the Company's market and bring considerable industry knowledge
  - 20.0% of independent directors are women
  - Four new board members over the past three years
- Board Activity:
  - All board members have attended at least 75.0% of board and committee meetings over the past year
  - All board members serve on at least one committee
  - The Compensation Committee is comprised entirely of independent directors
- Executive Compensation:
  - All bonuses have clawback features
  - Supplemental Executive Retirement Plans (SERPs) are funded through whole life insurance policies on which the Company earns a return and is the beneficiary
  - Perquisites are related to job activities; i.e. car allowances for executives who must visit the entire footprint of the company

# Loan Mix

## Orrstown Financial Services, Inc. Loan Mix

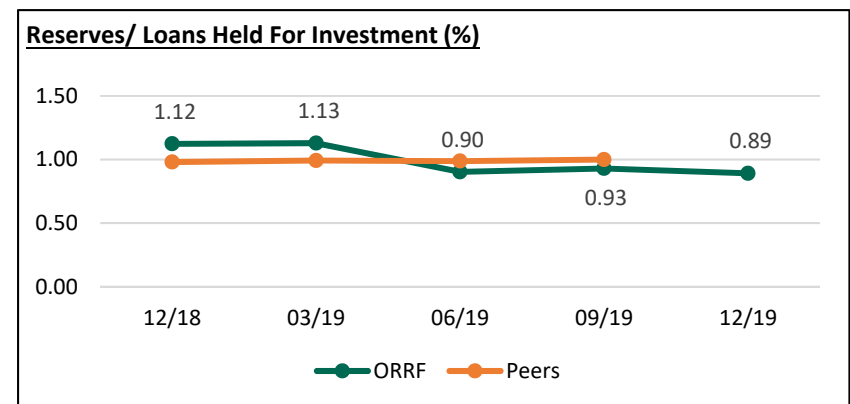
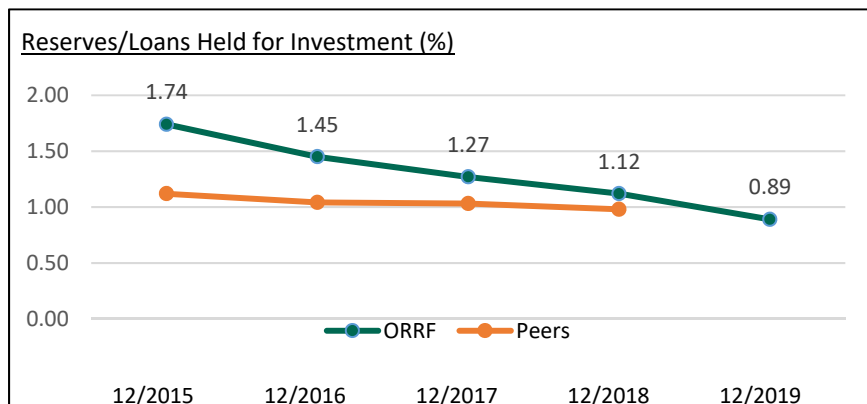
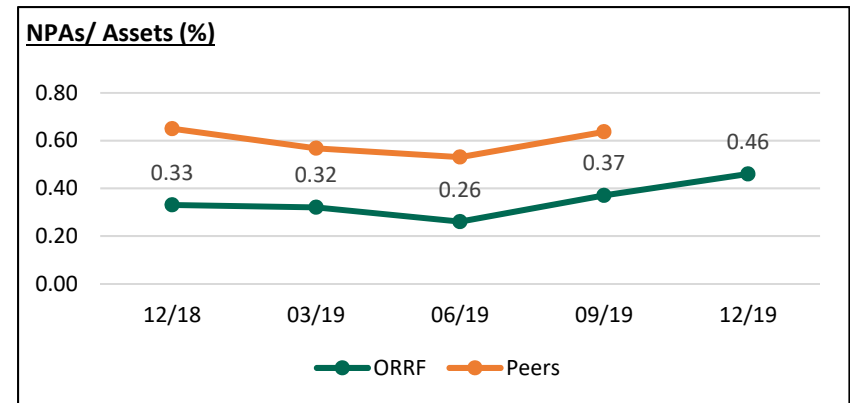
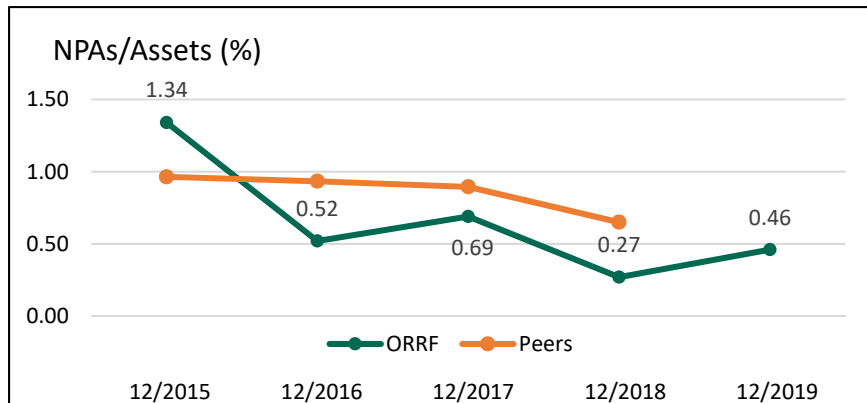
Category	Year-end										YTD 12/31/2019	5 Yr CAGR	
	2014		2015		2016		2017		2018				
	(\$ mil.)	(%)	(\$ mil.)	(%)	(\$ mil.)	(%)	(\$ mil.)	(%)	(\$ mil.)	(%)			
Construction	30.2	4.3	50.7	6.5	30.7	3.5	31.0	3.1	49.4	4.0	57.4	3.5	13.7
Consumer/HELOC	95.6	13.6	118.2	15.1	127.3	14.4	154.0	15.2	176.9	14.2	215.9	13.1	17.7
Residential Mortgage	196.3	27.9	197.5	25.3	216.6	24.5	252.3	25.0	347.9	27.9	470.4	28.6	19.1
CRE	144.0	20.4	145.4	18.6	206.4	23.4	244.5	24.2	252.8	20.3	361.1	22.0	20.2
Commercial	139.3	19.8	165.0	21.1	182.4	20.6	215.0	21.3	251.9	20.2	344.1	20.9	19.8
Multifamily	27.5	3.9	35.1	4.5	47.7	5.4	53.6	5.3	78.9	6.3	106.9	6.5	31.2
State & Municipal	61.2	8.7	57.5	7.4	53.7	6.1	42.1	4.2	51.0	4.1	47.1	2.9	(5.1)
Other	10.9	1.5	12.3	1.6	18.5	2.1	17.6	1.7	38.8	3.1	41.5	2.5	30.7
<b>Total Loans HFI</b>	<b>704.9</b>		<b>781.7</b>		<b>883.4</b>		<b>1,010.0</b>		<b>1,247.7</b>		<b>1,644.3</b>		<b>18.5</b>



- Longer-term, organic shift to organic commercial loans
- Reduced risk profile of loan book

Data Source: S&P Global Market Intelligence

# Asset Quality Trends



Data Source: S&P Global Market Intelligence

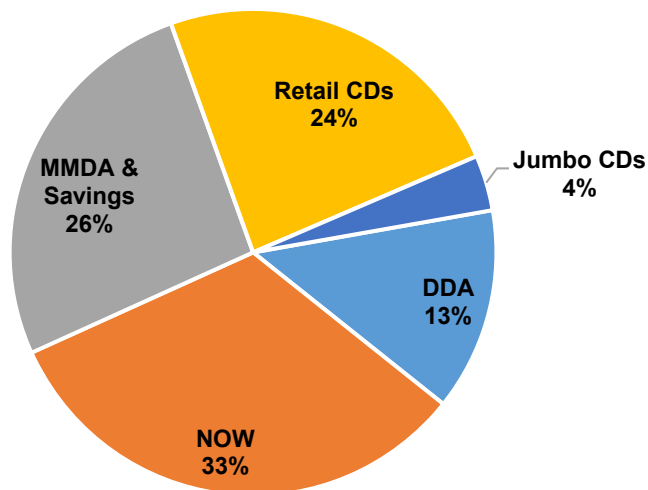
Note: Mark to market adjustment of ~\$11.3 million (total of Mercersburg and Hamilton Transactions). Without adjustment, Reserves/Loans would be >1.50%

# Deposit Mix

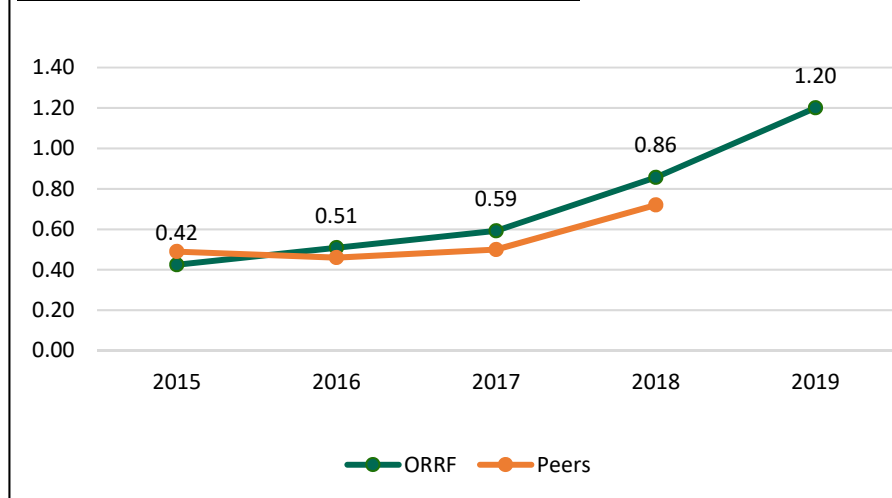
## Orrstown Financial Services, Inc. Deposit Mix

Category	Year-end										5 Yr CAGR (%)		
	2014		2015		2016		2017		2018			2019	
	(\$ mil.)	(%)	(\$ mil.)	(%)	(\$ mil.)	(%)	(\$ mil.)	(%)	(\$ mil.)	(%)		(\$ mil.)	(%)
DDA	116.3	12.2	131.4	12.7	150.7	13.1	162.6	13.3	208.8	13.4	253.0	13.5	16.8
NOW	353.7	37.2	356.5	34.5	443.8	38.5	476.5	39.1	556.9	35.7	609.8	32.5	11.5
MMDA & Savings	236.4	24.9	239.4	23.2	261.1	22.7	306.4	25.1	409.2	26.3	493.1	26.3	15.8
Retail CDs	128.1	13.5	185.3	17.9	192.3	16.7	252.2	20.7	343.6	22.0	450.5	24.0	28.6
Jumbo CDs	115.2	12.1	119.7	11.6	104.5	9.1	21.9	1.8	40.3	2.6	69.1	3.7	(9.7)
<b>Total Deposits</b>	<b>949.7</b>		<b>1,032.2</b>		<b>1,152.5</b>		<b>1,219.5</b>		<b>1,558.8</b>		<b>1,875.5</b>		<b>14.6</b>

### Orrstown Financial Services, Inc. Deposit Mix as of 12/2019



### Annual Interest Cost: Interest-bearing Deposits (%)



- Longer-term, organic shift to organic core funding
- Raised rates faster than peers initially, slowed deposit rate increases earlier than peers
  - Recent increases tied to Hamilton transaction related mix shift and timing

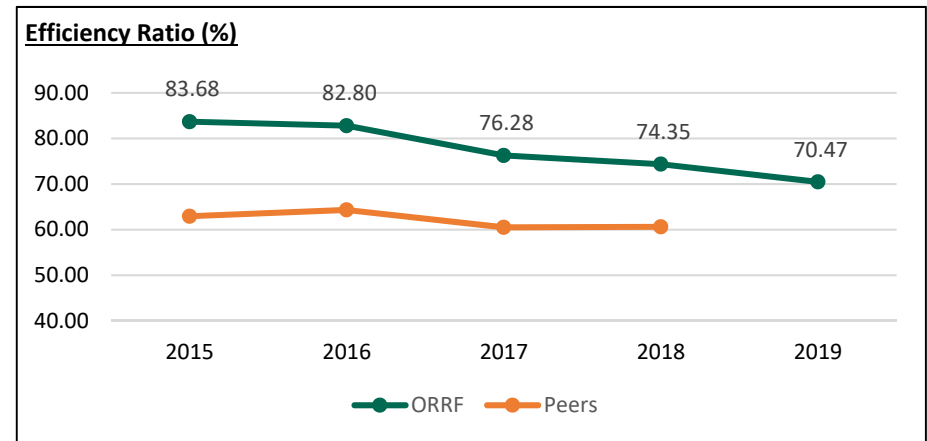
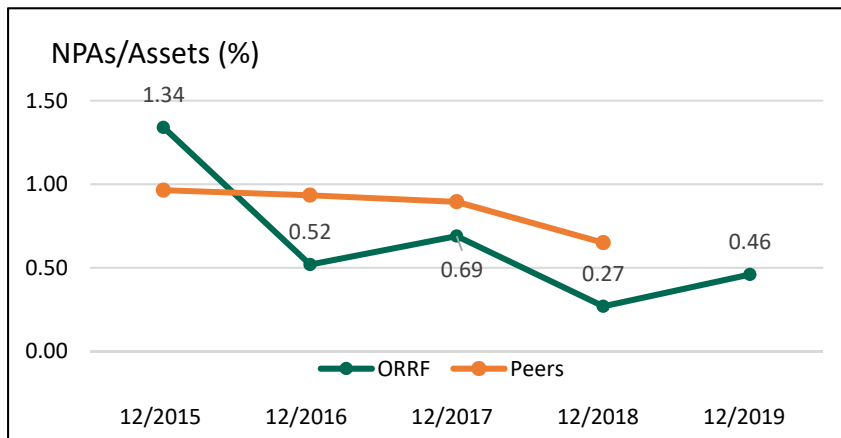
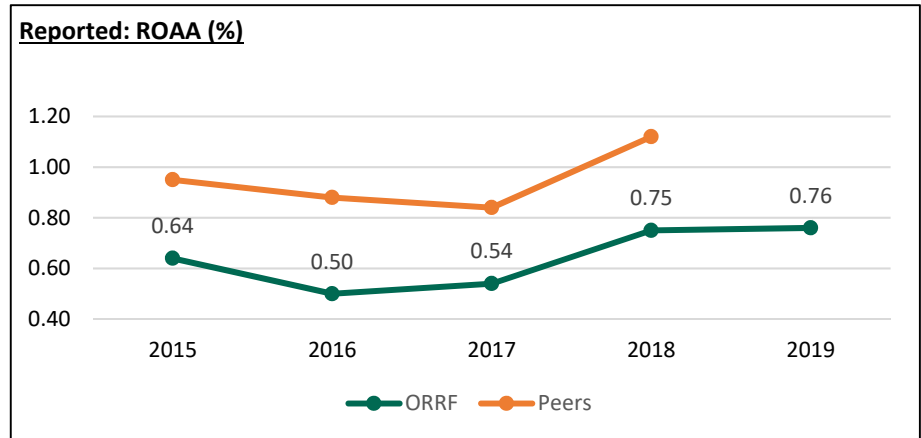
Data Source: S&P Global Market Intelligence



# Key Metrics: 2015 to Current

Return metrics improved due to:

- Capacity utilization
- Loan growth and mix shift
- Capital deployment, and
- The risk profile of the company



Data Source: S&P Global Market Intelligence

# For Additional Information

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# Appendix

- Five year performance metrics and operating results
- Five quarter performance metrics and operating results
- GAAP to non-GAAP reconciliations
- S&P Global Market Intelligence reconciliations

# Five Year Trends: Summary Financials

<i>(Dollars in thousands, unless indicated)</i>	2019	2018	2017	2016	2015
<b>Results of Operations:</b>					
Tax-equivalent interest income	94,037	67,084	53,900	44,185	40,666
Interest expense	23,699	13,511	7,644	5,417	4,301
Tax-equivalent net interest income	70,338	53,573	46,256	38,768	36,365
Tax-equivalent adjustment	1,043	1,417	2,447	1,909	1,653
Provision (credit) for loan losses	900	800	1,000	250	(603)
Non-interest income	28,541	21,024	19,949	19,425	18,800
Non-interest expense	77,302	57,935	50,330	48,140	44,607
Income before taxes	19,634	14,445	12,428	7,894	9,508
Income taxes	2,710	1,640	4,338	1,266	1,634
Net income	16,924	12,805	8,090	6,628	7,874
<b>Per Share Data &amp; Market Capitalization:</b>					
Market capitalization (\$ millions)	253.3	171.7	210.8	185.6	147.6
End of period price per share	\$22.62	\$18.21	\$25.25	\$22.40	\$17.84
Net income (loss) - basic per share	\$1.63	\$1.53	\$1.00	\$0.82	\$0.97
Net income (loss) - diluted per share	\$1.61	\$1.50	\$0.98	\$0.81	\$0.97
Dividends declared per share	\$0.60	\$0.51	\$0.42	\$0.35	\$0.22
Book value per share	\$19.93	\$18.39	\$17.34	\$16.28	\$16.08
<b>Period End Balances:</b>					
Assets	2,383,274	1,934,388	1,558,849	1,414,504	1,292,816
Loans & Leases	1,644,330	1,247,657	1,010,012	883,391	781,713
Securities	490,386	465,844	415,308	400,154	394,124
Deposits	1,875,522	1,558,756	1,219,515	1,152,452	1,032,167
Borrowings	249,783	179,378	177,391	112,027	113,651
Shareholders equity	223,249	173,433	144,765	134,859	133,061
<b>Average Balances:</b>					
Assets	2,225,121	1,710,597	1,488,423	1,325,150	1,233,549
Loans & Leases	1,492,815	1,080,443	944,352	833,265	746,368
Securities	499,282	479,517	420,583	360,355	381,668
Deposits	1,843,077	1,377,557	1,197,522	1,092,843	982,996
Borrowings	144,479	165,951	134,150	80,722	107,784
Shareholders equity	206,021	149,662	141,301	137,973	131,453

Data Source: S&P Global Market Intelligence; Prior years have been conformed to the 2019 presentation

# Five Year Trends: Key Performance Metrics

<i>(Percent unless indicated)</i>	2019	2018	2017	2016	2015
<b>Performance Ratios:</b>					
Return on average assets	0.76	0.75	0.54	0.50	0.64
Return on average common equity	8.21	8.56	5.73	4.80	5.99
Yield on average interest-earning assets	4.59	4.20	3.90	3.61	3.54
Rate on average interest-bearing liabilities	1.35	0.99	0.65	0.53	0.45
Net interest spread	3.24	3.21	3.25	3.08	3.10
Net interest margin	3.43	3.36	3.35	3.16	3.17
Efficiency ratio	70.47	74.35	76.28	82.80	83.68
<b>Capital Ratios:</b>					
Tier 1 leverage	8.56	8.42	8.95	9.33	9.77
Common equity tier 1 to risk-weighted assets	11.33	12.03	12.11	13.30	14.55
Tier 1 capital to risk-weighted assets	11.33	12.03	12.11	13.30	14.55
Total regulatory capital to risk-weighted assets	14.07	15.56	13.29	14.55	15.81
Average equity to average assets	9.26	8.75	9.49	10.41	10.66
<b>Credit Quality Ratios:</b>					
Allowance for loan loss to loans	0.89	1.12	1.27	1.45	1.74
Nonperforming assets to assets	0.46	0.27	0.69	0.52	1.34
Net charge-offs to average loans and leases	0.02	(0.04)	0.10	0.13	0.08

Data Source: S&P Global Market Intelligence; Prior years have been conformed to the 2019 presentation.

# Five Quarter Trends: Summary Financials

<i>(Dollars in thousands, unless indicated)</i>	12/19	09/19	06/19	03/19	12/18
<b>Results of Operations:</b>					
Tax-equivalent interest income	24,225	25,044	24,764	20,004	19,541
Interest expense	6,087	6,757	5,957	4,898	4,402
Tax-equivalent net interest income	18,138	18,287	18,807	15,106	15,139
Tax-equivalent adjustment	197	208	292	346	389
Provision (credit) for loan losses	-	300	200	400	200
Non-interest income	7,030	8,602	7,774	5,135	5,015
Non-interest expenses	19,709	18,140	23,292	16,161	18,283
Income before taxes	5,262	8,241	2,797	3,334	1,282
Income taxes	1,028	1,340	110	232	130
Net income	4,234	6,901	2,687	3,102	1,152
<b>Per Share Data &amp; Market Capitalization:</b>					
Market capitalization (\$ millions)	253.3	244.7	246.8	176.3	171.7
End of period price per share	\$22.62	\$21.90	\$21.99	\$18.59	\$18.21
Net income (loss) - basic per share	\$0.39	\$0.63	\$0.26	\$0.34	\$0.13
Net income (loss) - diluted per share	\$0.38	\$0.62	\$0.26	\$0.33	\$0.12
Dividends declared per share	\$0.15	\$0.15	\$0.15	\$0.15	\$0.13
Book value per share	\$19.93	\$20.00	\$19.59	\$18.89	\$18.39
<b>Period End Balances:</b>					
Assets	2,383,274	2,313,677	2,399,508	1,973,283	1,934,388
Loans & Leases	1,644,330	1,593,105	1,601,670	1,265,539	1,247,657
Securities	490,386	481,120	496,930	490,221	465,844
Deposits	1,875,522	1,923,454	2,015,541	1,620,696	1,558,756
Borrowings	249,783	131,604	124,455	144,745	179,378
Shareholders' equity	223,249	223,493	219,868	179,167	173,433
<b>Average Balances:</b>					
Assets	2,324,160	2,391,131	2,254,657	1,924,319	1,910,910
Loans & Leases	1,606,608	1,604,491	1,497,445	1,257,654	1,239,998
Securities	504,072	496,482	496,803	499,755	506,891
Deposits	1,905,092	2,017,314	1,879,381	1,564,866	1,559,134
Borrowings	160,728	116,847	138,574	162,086	162,331
Shareholders equity	223,058	221,250	205,010	174,057	169,209

Data Source: S&P Global Market Intelligence; Dollars in thousands, unless indicated

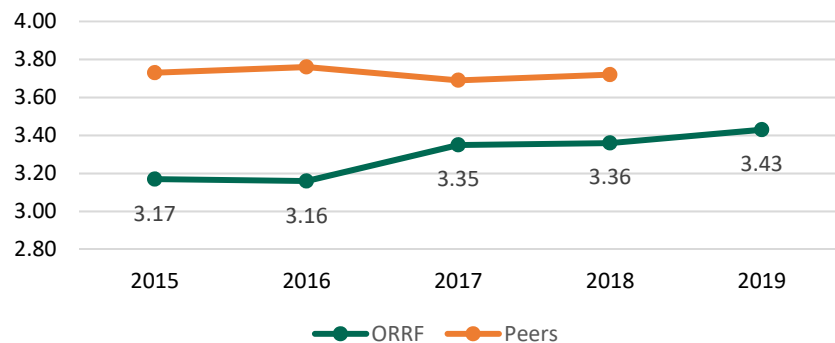
# Five Quarter Trends: Key Performance Metrics

<i>(Percent unless indicated)</i>	12/19	09/19	06/19	03/19	12/18
<b>Performance Ratios:</b>					
Return on average assets	0.72	1.15	0.48	0.65	0.24
Return on average common equity	7.53	12.37	5.26	7.23	2.70
Yield on average interest-earning assets	4.51	4.52	4.78	4.54	4.37
Rate on average interest-bearing liabilities	1.33	1.42	1.34	1.30	1.15
Net interest spread	3.18	3.10	3.44	3.24	3.21
Net interest margin	3.37	3.30	3.63	3.43	3.38
Efficiency ratio	72.55	69.87	66.07	73.83	76.92
<b>Capital Ratios:</b>					
Tier 1 leverage	8.56	8.17	8.46	8.50	8.42
Common equity tier 1 to risk-weighted assets	11.33	11.62	11.23	11.89	12.03
Tier 1 capital to risk-weighted assets	11.33	11.62	11.23	11.89	12.03
Total regulatory capital to risk-weighted assets	14.07	14.50	14.06	15.34	15.56
Average equity to average assets	9.60	9.25	9.09	9.05	8.85
<b>Credit Quality Ratios:</b>					
Allowance for loan loss to loans	0.89	0.93	0.90	1.13	1.12
Nonperforming assets to assets	0.46	0.33	0.21	0.26	0.27
Net charge-offs to average loans and leases	0.04	(0.01)	0.01	0.04	(0.00)

Data Source: S&P Global Market Intelligence; Prior years have been conformed to the December 2019 Presentation

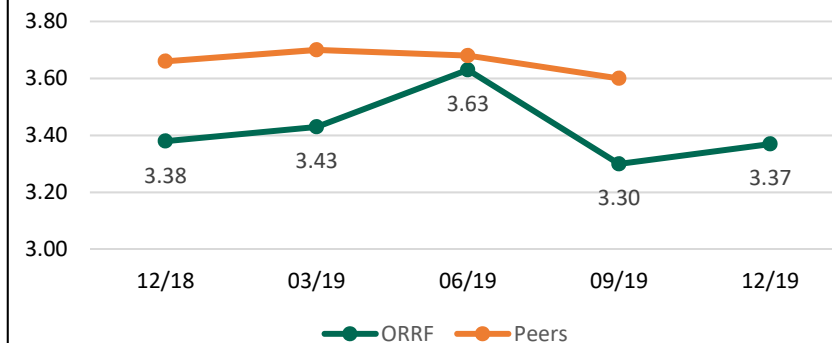
# Performance Trends

**Reported: Net Interest Margin YTD (%)**



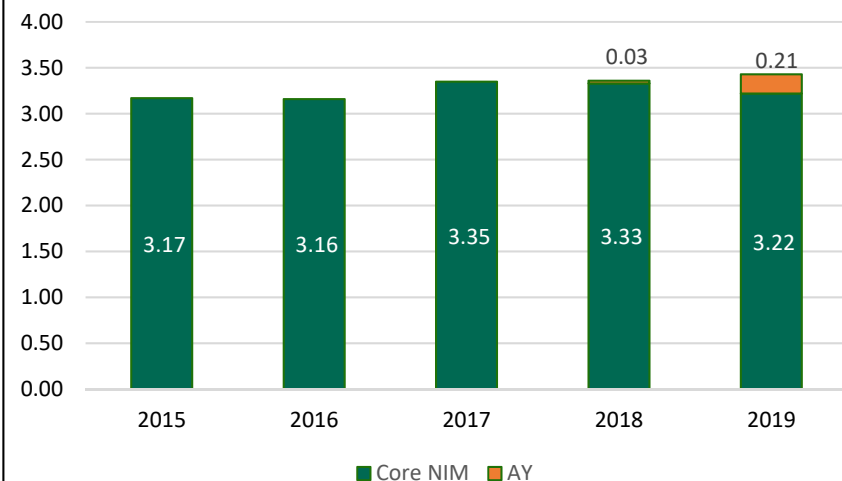
Data Source: S&P Global Market Intelligence

**Reported: Net Interest Margin QTD (%)**

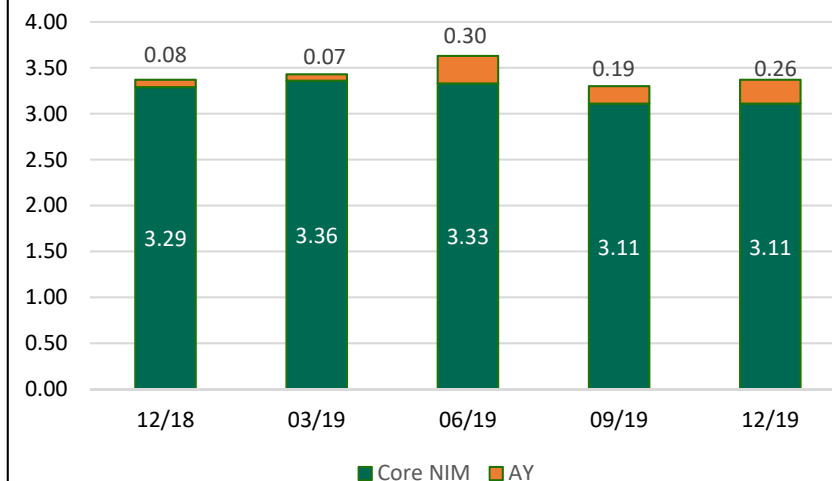


Data Source: S&P Global Market Intelligence

**Net Interest Margin YTD (%)<sup>(1)</sup>**



**Net Interest Margin QTD (%)<sup>(1)</sup>**

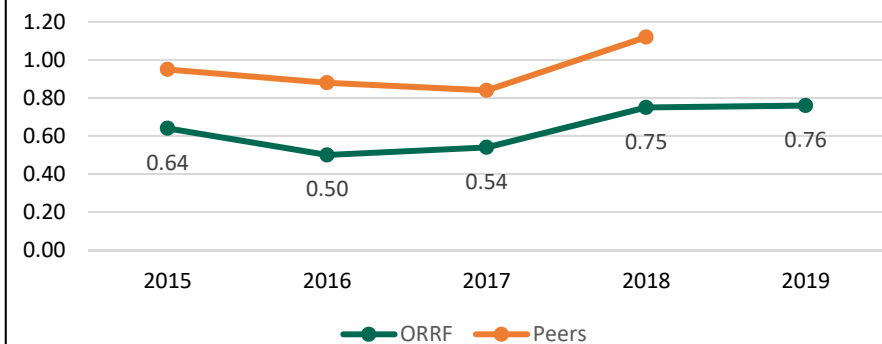


1. Net interest margin, exclusive of the impact of purchase accounting adjustments for interest accretion ("Core NIM") is a non-GAAP measure. See the GAAP to non-GAAP reconciliation in the appendix. Prior results have been conformed to the December 2019 presentation.

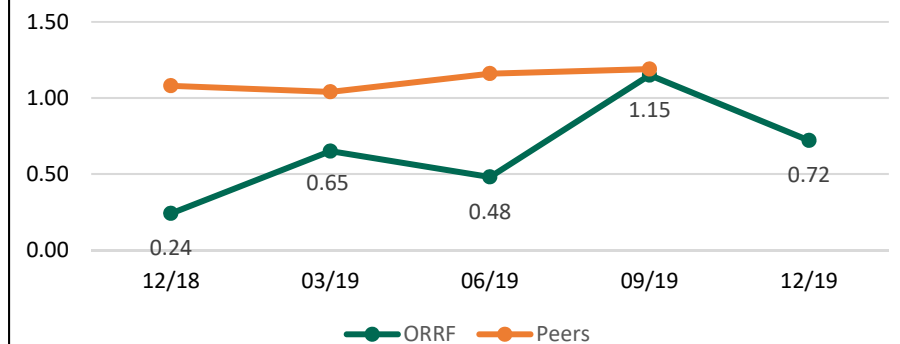


# Performance Trends (Continued)

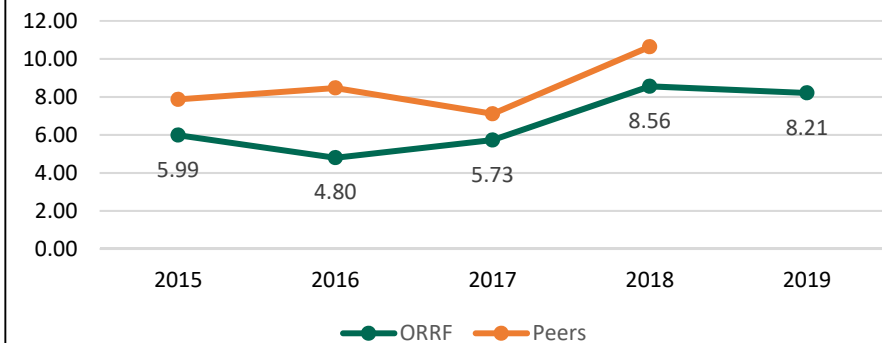
**Reported: ROAA YTD (%)**



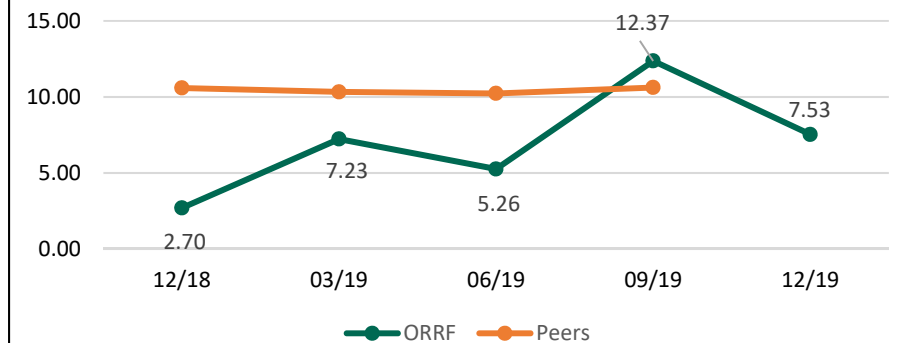
**Reported: ROAA QTD (%)**



**Reported: ROAE YTD (%)**

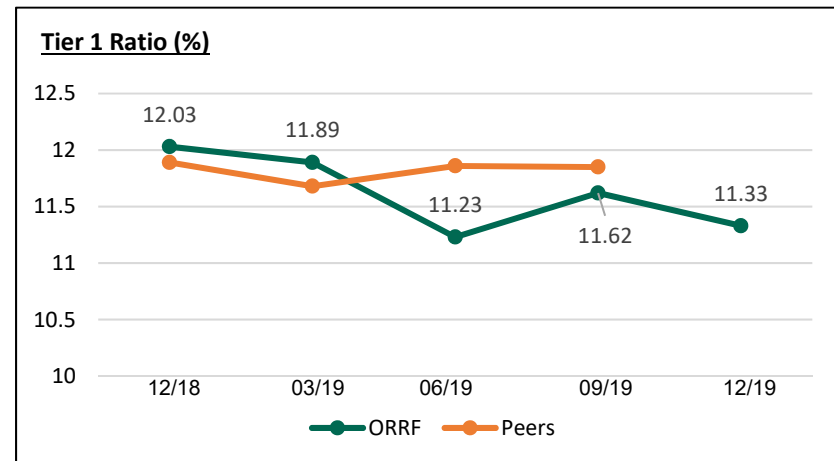
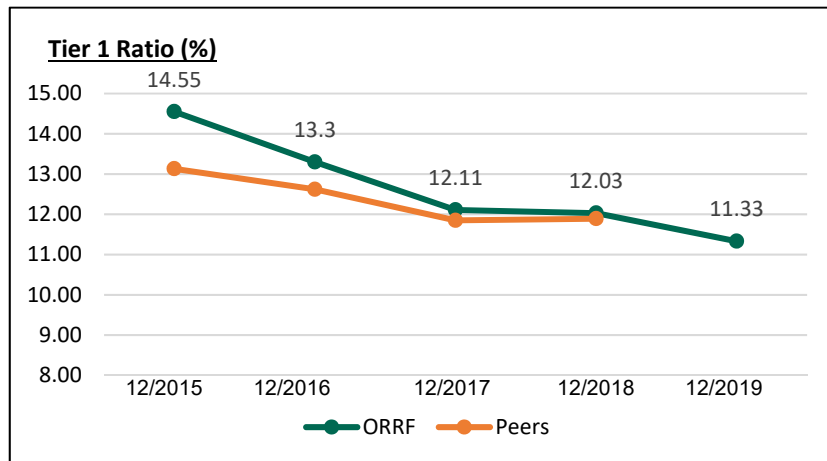
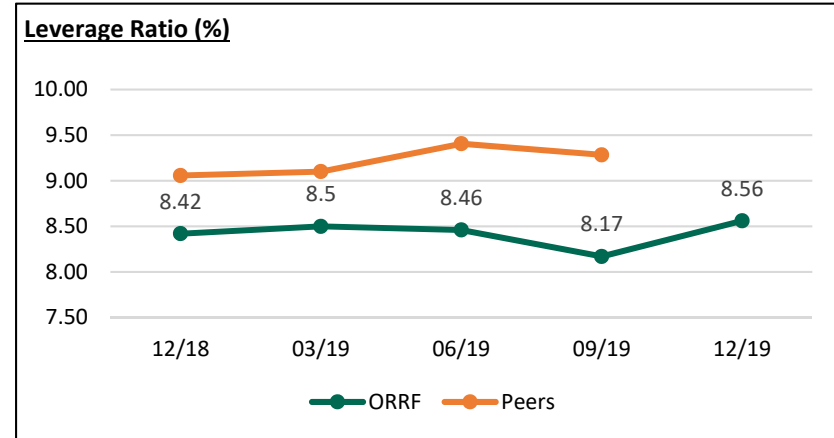
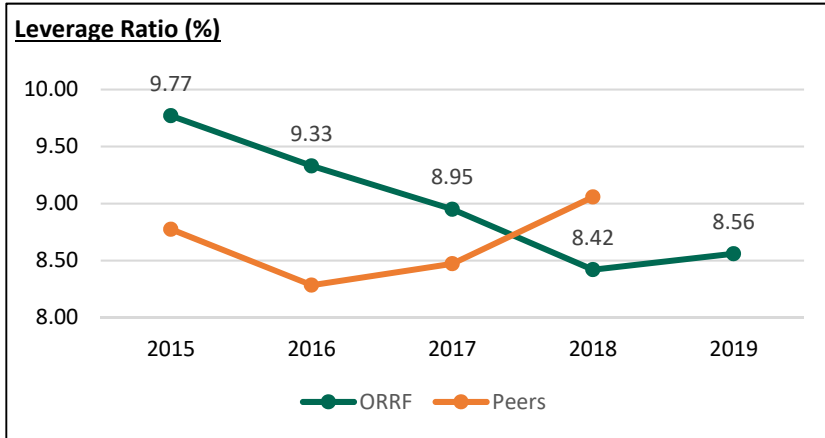


**Reported: ROAE QTD (%)**



Data Source: S&P Global Market Intelligence

# Capital Trends



Data Source: S&P Global Market Intelligence

# GAAP to Non-GAAP Reconciliation

## APPENDIX - Supplemental Reporting of Non-GAAP Measures and GAAP to Non-GAAP Reconciliations

Management believes providing certain “non-GAAP” financial information will assist investors in their understanding of the effect of certain activity on reported results, particularly to overcome comparability issues related to the influence of net securities gains, merger and acquisition expenses, and purchase accounting adjustments for interest accretion on net interest margin.

Adjusted net income, as used by the Company in this presentation, is determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). While we believe this information is a useful supplement to GAAP based measures as presented herein, readers are cautioned that this non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial measures determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results and financial condition as reported under GAAP, nor is such a measure necessarily comparable to non-GAAP performance measures that may be presented by other companies. This supplemental presentation should not be construed as an inference that our future results will be unaffected by similar adjustments to be determined in accordance with GAAP.

<u>Adjusted Net Income (excluding the effect of net securities gains and merger and acquisition expenses)</u>	<u>Quarter ended December 31, 2019</u>	<u>As a percentage of average assets for the quarter</u>
GAAP net income, as reported	\$ 4,234	0.72%
Net securities gains, net of 21.0% statutory tax rate	(14)	0.00%
Branch consolidation expenses, net of 21.0% statutory tax rate	781	0.13%
Adjusted net income	<u>\$ 5,001</u>	<u>0.85%</u>

Taxable-equivalent net interest margin excluding the impact of purchase accounting, as used by the Company in this presentation, is determined by methods other than in accordance with GAAP. While we believe this information is a useful supplement to GAAP based measures as presented herein, readers are cautioned that this non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial measures determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results and financial condition as reported under GAAP, nor is such a measure necessarily comparable to non-GAAP performance measures that may be presented by other companies. This supplemental presentation should not be construed as an inference that our future results will be unaffected by similar adjustments to be determined in accordance with GAAP.

<u>Taxable-equivalent Net Interest Margin (excluding the impact of purchase accounting)</u>	<u>Quarter Ended</u>					<u>Calendar</u>	<u>Calendar</u>
	<u>12/31/2018</u>	<u>3/31/2019</u>	<u>6/30/2019</u>	<u>9/30/2019</u>	<u>12/31/2019</u>	<u>2018</u>	<u>2019</u>
Reported taxable-equivalent net interest margin	3.38%	3.43%	3.63%	3.30%	3.37%	3.36%	3.43%
Effect of purchase accounting							
Total interest-earning assets (loans)	-0.24%	-0.12%	-0.43%	-0.27%	-0.36%	-0.04%	-0.30%
Total interest-bearing liabilities (Time deposits)	-0.01%	-0.01%	0.01%	0.02%	0.02%	0.00%	0.02%
Purchase accounting effect on interest margin	-0.09%	-0.07%	-0.30%	-0.19%	-0.26%	-0.03%	-0.21%
Taxable-equivalent Net Interest Margin (excluding the impact of purchase accounting)	<u>3.29%</u>	<u>3.36%</u>	<u>3.33%</u>	<u>3.11%</u>	<u>3.11%</u>	<u>3.33%</u>	<u>3.22%</u>

# S&P Global Reconciliation

## Appendix: Reconciliation of S&P Global Market Intelligence Efficiency Ratio

<i>Dollars in thousands unless indicated</i>	Full Year				
	2019	2018	2017	2016	2015
GAAP Total Expenses	\$ 77,302	\$ 57,871	\$ 50,312	\$ 47,958	\$ 44,373
-Amortization of Intangible Assets	1,571	286	107	99	207
-Merger-related Costs	7,976	3,197	-	-	-
-Insurance Claim Write-off	615	-	-	-	-
-Regulatory Settlement	-	-	-	1,000	-
-Branch Consolidation Costs	988	-	-	-	-
-Indemnification Costs	-	-	600	-	-
<u>-Foreclosure Expenses</u>	<u>22</u>	<u>(84)</u>	<u>(14)</u>	<u>1</u>	<u>(189)</u>
Adjusted Expenses	66,130	54,472	49,619	46,858	44,355
Net Interest Income	69,295	51,491	43,371	36,545	34,334
<u>Non-Interest Income</u>	<u>28,541</u>	<u>21,361</u>	<u>20,369</u>	<u>19,557</u>	<u>18,944</u>
Total Revenue	97,836	72,852	63,740	56,102	53,278
+Full-tax Equivalent Adjustment	1,043	1,417	2,447	1,952	1,653
-Securities Gains (Losses)	4,749	1,006	1,190	1,420	1,924
<u>-Life Insurance Proceeds</u>	<u>255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Revenue	93,875	73,263	64,997	56,634	53,007
S&P Global Efficiency Ratio (%)	70.47	74.35	76.28	82.80	83.68

Data Source: S&P Global Market Intelligence

# S&P Global Reconciliation

## Appendix: Reconciliation of S&P Global Market Intelligence Efficiency Ratio

<i>Dollars in thousands unless indicated</i>	Quarter Ended				
	12/31/19	09/30/19	06/30/19	03/31/19	12/31/18
GAAP Total Expenses	\$ 19,709	\$ 18,140	\$ 23,292	\$ 16,161	\$ 18,283
-Amortization of Intangible Assets	475	486	402	208	214
-Merger-related Costs	-	471	6,860	645	2,724
-Insurance Claim Write-off	-	-	-	615	-
-Regulatory Settlement	-	-	-	-	-
-Branch Consolidation Costs	988	-	-	-	-
-Indemnification Costs	-	-	-	-	-
<u>-Foreclosure Expenses</u>	<u>NA</u>	<u>22</u>	<u>NA</u>	<u>NA</u>	<u>(69)</u>
Adjusted Expenses	18,246	17,161	16,030	14,693	15,414
Net Interest Income	18,138	18,287	18,807	15,106	15,139
<u>Non-Interest Income</u>	<u>7,030</u>	<u>8,602</u>	<u>7,774</u>	<u>5,135</u>	<u>5,015</u>
Total Revenue	25,168	26,889	26,581	20,241	20,154
+Full-tax Equivalent Adjustment	-	-	-	-	-
-Securities Gains (Losses)	18	2,328	2,064	339	115
<u>-Life Insurance Proceeds</u>	<u>-</u>	<u>-</u>	<u>255</u>	<u>-</u>	<u>-</u>
Adjusted Revenue	25,150	24,561	24,262	19,902	20,039
S&P Global Efficiency Ratio (%)	72.55	69.87	66.07	73.83	76.92

Data Source: S&P Global Market Intelligence