

First Community Corp.

OUTPERFORM

FCCO (NASDAQ)
Price \$14.34
Price target \$17.00

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Market Data

Market Cap (\$M)	\$107.4
Price / Tang. Book	0.92x
52-Week Range	\$12.23 - \$22.00
3-Mo. Avg. Daily Volume	14,705
Dividends	\$0.48
Dividend Yield	3.35%
Shares Outstanding (M)	7.5
Institutional Ownership	52.2%
Insider Ownership	5.7%

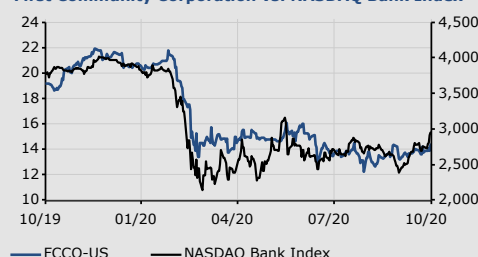
Financial Summary

As of September 30, 2020

Assets (\$M)	\$1,381.8
Tangible Book Value	\$15.67
Tang. Common Eq. / Tang. Assets	8.6%
ROA	0.66%
ROE	6.7%
Net Interest Margin	3.28%

Price Performance

First Community Corporation vs. NASDAQ Bank Index



Company Description

First Community Corporation stock trades on the NASDAQ Capital Market under the symbol "FCCO" and is the holding company for First Community Bank, a local community bank based in the Midlands of South Carolina. First Community Bank is a full-service commercial bank offering deposit and loan products and series, residential mortgage lending and financial planning/investment advisory services for businesses and consumers. First Community serves customers in the Midlands, Aiken, and Greenville, South Carolina markets as well as Augusta, Georgia.

Increasing Ests/PT Following Solid 3Q Performance/ Favorable Growth Prospects; Reiterate Outperform

EPS ESTIMATES

	Mar	Jun	Sep	Dec	Year	Growth	Est. Change	P/E
2020E	\$0.24A	\$0.30A	\$0.30A	\$0.30	\$1.14	(22.3%)	\$0.05	12.6x
2021E	\$0.29	\$0.28	\$0.29	\$0.31	\$1.18	3.8%	\$0.06	12.2x
2022E	\$0.27	\$0.33	\$0.39	\$0.41	\$1.40	18.9%	--	10.2x

We are increasing our 2020-21 EPS estimates to \$1.14 (+\$0.05) and \$1.18 (+\$0.06), respectively, and establishing our 2022 estimate of \$1.40. Overall, results this quarter were a little ahead of expectations (in-line with consensus) due to a lower LLP and better revenue performance which more than accounted for a larger expense base. Loan growth remains a bright spot given strong production of late, and we believe the near-term growth prospects should remain favorable going forward. **We reiterate our OP-rating and increase our price target to \$17 (+\$1) which is based on 14x our 2021 EPS and ~1.1x forward TBV.**

- **Changes to our model.** The primary adjustments include: (1) higher NII in 2021 due to a larger projected B/S; (2) modestly better fees; (3) a larger expense base assuming ~5% annual growth in 2021; and (4) a slightly higher LLP in 2021.
- **Thoughts on the near-term outlook.** Loan growth trends the past two quarters have been considerably ahead of expectations through a combination of stronger production and a significantly lower level of payoffs. While growth trends will likely improve as the economic recovery unfolds we are conservatively modeling a slower pace of loan growth over the next couple of quarters. Our updated outlook reflects 8% LQA growth next quarter and ~7% for 2021 (L-T expectations of mid-single-digits). The margin is likely to trend lower in the near-term (-10 bps LQ in 3Q) due to continued pressure on loan yields but the pace of decline could be slower as the gap between new loan yields and portfolio yields appears to have narrowed. Asset quality metrics were relatively unchanged LQ and FCCO increased reserves to 1.27% of loans (ex-PPP). We expect additional building to occur through 1Q21 with the LLR ratio reaching ~1.40% while commentary suggests reserves are nearing peak levels. That said, special mention loans did experience an uptick in 3Q which in part was related to an in-footprint development project (tied to an event venue) but classified loans still remain relatively low at ~1.25% of loans.
- **Deferrals down to <3% of loans and down 89% from the peak.** Deferrals (as of Oct 15) totaled \$21.8M or ~2.7% of total loans (ex-PPP) as compared \$27.3M or 3.4% at Sep 30 and down 89% from the peak of 27%. The current level consists of 12 loans of which 8 are second requests with the largest being within the restaurant category (although conversations suggest this loan is probably less of a concern relative to the other deferrals).

Important Disclosures regarding Price Target Risks, Valuation Methodology, Regulation Analyst Certification, Investment Banking, Ratings Definitions, and any potential conflicts of interest begin on page 5 of this report. Past performance is no guarantee of future results.

- **Review of the quarter.** FCCO reported 3Q20 operating EPS of \$0.30 vs. our estimate of \$0.27 and in-line with consensus (reported EPS was \$0.35). Relative to our forecast, the upside was driven by a lower provision (EPS: +\$0.05), higher NII (+\$0.02), and better fee income (+\$0.01) but partially offset by a larger expense base (+\$0.07).

Figure 1: FCCO 3Q20 Variance Table – Actuals vs. Hovde and Consensus

(\$M)				Actuals vs:					
FCCO	Estimates		Actual	Hovde			Consensus		
	Hovde	Cons.	3Q20	\$ Diff.		P/S	\$ Diff.		P/S
Net Interest Income	10.1	9.9	10.3	0.2	▲	\$0.02	0.3	▲	\$0.04
NIM	3.34%	3.34%	3.28%	-6 bps	▼		-6 bps	▼	
Fee Income	3.2	3.2	3.3	0.1	▲	\$0.02	0.1	▲	\$0.01
Revenue	13.2	13.3	13.6	0.4	▲	\$0.04	0.3	▲	\$0.04
Expenses	9.1	9.1	9.7	(0.6)	▲	(\$0.07)	(0.6)	▲	(\$0.07)
Core PPNR	4.1	-	3.9	(0.2)	▼	(\$0.03)	-		-
PPNR	4.1	4.2	4.4	0.3	▲	\$0.03	0.3	▲	\$0.03
Provision	1.5	1.1	1.1	0.4	▼	\$0.05	0.1	▼	\$0.01
Tax Rate	19%	21%	18%		▼			▼	
EPS	\$0.27	-	\$0.35		▲	\$0.08			
Core EPS	\$0.27	\$0.30	\$0.30		▲	\$0.03		▼	\$0.00
TBVPS	\$15.51	\$15.54	\$15.67		▲	\$0.16		▲	\$0.13
Diluted Shares	7.5	7.5	7.5						
Profitability									
ROA	0.63%	0.69%	0.66%	3 bps	▲		-3 bps	▼	
ROTCE	7.3%	-	7.9%	57 bps	▲				
Efficiency Ratio	68%	69%	71%	260 bps	▲		182 bps	▲	
Balance Sheet									
Avg Earning Assets	1,199	1,197	1,249	50	▲		51	▲	
EOP Loans	833	829	844	11	▲		15	▲	
Loans/Deposits	77%	74%	72%						
TCE Ratio	8.73%	-	8.60%	-13 bps	▼				
Credit									
Net Charge-Off Ratio	0.15%	0.12%	-0.06%	-21 bps	▼		-18 bps	▼	
LLP/Loans	0.70%	0.54%	0.49%						

Source: Company Filings, S&P Global Market Intelligence, and FactSet

Figure 2: FCCO Comparable Group

Ticker		Company Name	10/26 Price	Mkt Cap (\$M)	Assets (\$M)	Valuation					Profitability (LTM; %)				Balance Sheet (MRQ; %)				Credit (MRQ; %)			CAGRs				Price Perf. (%)			
						Price/Earnings ¹			Price/TBV	Dvd Yield	Dep. Prem.	ROA	ROTCE	NIM	Eff. Ratio	LTD Ratio	Core Dep. ²	COFs	TCE Ratio	NCOs (LTM)	NPAs/ Assets	LLR/ Loans	EPS		TBVPS		1M	3M	YTD
						LTM	'20E	'21E															'14-'19	'19-'21E	'14-'19	'19-'21E			
ACBI	Atlantic Cap Bcshs	\$14.14	\$314	\$2,924	15.5x	17.7x	12.1x	0.94x	-	-0.1%	0.70	6.3	3.28	55.2	88.6	96.9	0.39	10.95	0.12	NA	1.46	31%	-26%	6%	9%	33.1	31.0	(22.9)	
AMNB	Amer Natl Bkshs	\$23.10	\$263	\$2,903	8.5x	10.0x	11.1x	1.05x	4.7%	0.9%	1.08	12.9	3.39	53.6	84.4	89.9	0.43	8.55	0.02	NA	1.01	4%	3%	4%	7%	14.9	0.2	(41.6)	
CARE	Carter Bnk & Trst	\$7.22	\$194	\$4,152	11.8x	23.7x	15.5x	0.45x	0.0%	-6.5%	0.50	4.9	2.95	74.4	82.0	94.1	NA	10.44	0.11	3.98	1.60	-4%	-32%	4%	3%	12.5	0.8	(69.6)	
CBAN	Colony Bkcp Inc	\$12.82	\$121	\$1,759	11.0x	11.1x	11.2x	1.00x	3.1%	0.0%	0.60	NA	3.51	73.3	77.8	85.3	0.42	6.99	0.14	NA	0.95	14%	1%	7%	9%	29.6	23.3	(22.3)	
CSTR	CapStar Finl Hlgs	\$10.86	\$239	\$3,024	8.5x	9.9x	9.2x	0.84x	1.8%	-1.7%	0.86	8.9	3.17	60.2	72.8	95.4	0.74	9.54	0.05	0.17	1.10	20%	-1%	6%	6%	20.3	(2.2)	(34.8)	
ESXB	Cnty Bnk Trst Corp	\$5.27	\$120	\$1,615	8.7x	11.5x	12.0x	0.73x	3.8%	-3.0%	0.97	9.1	3.71	59.9	87.6	84.7	0.97	9.96	0.09	0.84	1.04	16%	-21%	8%	5%	5.2	5.4	(40.7)	
FBK	FB Finl Corp	\$30.54	\$1,420	\$7,256	12.7x	16.1x	13.9x	1.60x	1.2%	13.6%	1.08	12.6	3.94	61.8	81.1	89.0	0.67	8.67	0.12	0.72	2.15	7%	-9%	14%	5%	26.3	18.6	(22.9)	
FBMS	First Bancshares	\$24.17	\$535	\$5,085	9.1x	11.8x	9.7x	1.19x	1.7%	2.3%	1.23	14.4	3.89	51.9	75.2	91.3	0.62	8.92	0.02	1.01	0.88	16%	-1%	9%	9%	22.0	18.2	(32.0)	
FBNC	First Bancorp	\$23.81	\$705	\$6,889	9.1x	12.2x	11.1x	1.11x	3.0%	1.4%	1.28	13.9	3.83	54.7	81.8	92.0	0.35	9.39	0.12	0.69	0.88	21%	-17%	10%	5%	16.9	3.8	(40.4)	
FCBC	First Comm Bkshs	\$19.50	\$360	\$2,949	9.0x	11.0x	11.5x	1.24x	5.1%	3.3%	1.39	13.9	4.49	56.5	85.5	98.3	0.24	9.90	0.15	1.29	1.11	13%	-17%	5%	1%	11.2	(7.9)	(37.2)	
HTBI	HomeTrust Bcshs	\$15.77	\$277	\$3,723	11.6x	13.4x	22.9x	0.70x	1.8%	-3.7%	0.63	6.2	3.17	69.5	99.4	81.7	0.82	10.32	0.07	0.80	0.99	22%	-31%	4%	3%	17.0	8.9	(41.2)	
RBNC	Reliant Bncp	\$17.35	\$287	\$3,045	8.8x	9.6x	10.1x	1.18x	2.3%	1.7%	0.93	NA	4.15	61.1	91.9	82.6	0.79	8.18	0.01	NA	0.81	8%	9%	7%	2%	29.5	11.2	(22.0)	
SFST	Southern First	\$26.94	\$221	\$2,482	10.3x	13.6x	9.5x	0.96x	-	0.2%	0.98	10.8	3.41	51.8	93.1	92.3	NA	8.71	0.12	0.66	1.52	27%	-11%	15%	9%	15.0	6.9	(36.6)	
SLCT	Select Bancorp	\$7.57	\$142	\$1,619	14.5x	21.9x	15.3x	0.81x	-	-1.9%	0.60	4.7	3.85	66.9	93.4	85.4	0.82	10.65	0.09	1.11	0.96	21%	-15%	7%	0%	4.8	(4.3)	(38.5)	
SMBK	SmartFinancial Inc	\$14.41	\$222	\$3,388	8.1x	8.7x	10.3x	0.83x	1.4%	-1.5%	0.77	9.3	3.66	61.7	90.6	83.8	0.51	7.97	0.02	0.18	0.78	29%	-14%	3%	6%	9.5	1.8	(39.1)	
SONA	Southern National	\$10.12	\$244	\$3,072	12.9x	13.3x	10.1x	0.90x	4.0%	-1.4%	0.81	8.9	3.34	54.6	116.7	73.7	0.97	9.22	0.11	0.62	0.94	17%	-14%	6%	4%	20.3	14.7	(38.1)	
Peer Median				\$253	\$3,034	9.7x	12.0x	11.2x	0.95x	2.3%	-0.1%	0.90	9.2	3.59	60.1	86.6	89.4	0.65	9.30	0.10	0.76	1.00	17%	-14%	6%	5%	16.9	6.2	(37.6)
FCCO	First Cmnty Corp	\$14.00	\$107	\$1,382	10.9x	12.2x	12.5x	0.89x	3.4%	-0.8%	0.76	8.9	3.43	69.7	72.0	92.6	0.27	8.60	-0.02	0.33	1.15	13%	-12%	7%	8%	5.5	2.5	(35.2)	

¹Based on consensus EPS estimates

²Core deposits as % of total non-equity funding

Source: S&P Global Market Intelligence and FactSet

First Community Corporation

Will Curtiss; 615-783-1638

Summary Model

(\$M)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E	2019	2020E	2021E	2022E
Income Statement																
Net Interest Income	9.1	9.2	9.4	9.4	9.5	9.8	10.3	10.5	10.6	10.3	10.2	10.4	37.2	40.1	41.5	42.6
Noninterest Income	2.5	3.2	3.1	2.9	2.9	3.4	3.9	3.4	3.2	3.3	3.4	3.3	11.7	13.6	13.2	13.7
Total Revenue	11.6	12.4	12.5	12.4	12.4	13.2	14.1	13.9	13.8	13.6	13.6	13.6	48.9	53.7	54.7	56.3
Noninterest Expense	8.3	8.6	8.8	8.9	9.0	9.1	9.7	9.5	9.8	9.9	9.9	9.8	34.6	37.4	39.4	40.3
Pre-tax, Pre-provision Income	3.3	3.8	3.8	3.5	3.4	4.1	4.4	4.3	4.0	3.8	3.7	3.8	14.3	16.3	15.3	16.0
Loan Loss Provision	0.1	0.0	0.0	-	1.1	1.3	1.1	1.4	1.2	1.1	0.9	0.8	0.1	4.8	4.0	2.5
Pre-tax Earnings	3.1	3.7	3.7	3.4	2.2	2.7	3.3	2.8	2.7	2.6	2.7	2.9	13.8	11.0	10.9	13.1
Taxes	0.6	0.8	0.8	0.7	0.4	0.5	0.6	0.5	0.5	0.5	0.5	0.6	2.9	2.1	2.1	2.5
Tax Rate (%)	20%	21%	21%	21%	20%	19%	18%	19%	19%	19%	19%	19%	21%	19%	19%	19%
Net Income Avail. to Common	2.5	2.9	2.9	2.7	1.8	2.2	2.7	2.3	2.2	2.1	2.2	2.4	11.0	8.9	8.9	10.6
Core Net Income Avail. to Common	2.5	2.8	2.9	2.9	1.8	2.2	2.2	2.3	2.2	2.1	2.2	2.4	11.1	8.5	8.9	10.6
Reported EPS	\$ 0.32	\$ 0.37	\$ 0.39	\$ 0.36	\$ 0.24	\$ 0.30	\$ 0.35	\$ 0.30	\$ 0.29	\$ 0.28	\$ 0.29	\$ 0.31	\$ 1.45	\$ 1.19	\$ 1.18	\$ 1.40
Core EPS	\$ 0.33	\$ 0.36	\$ 0.39	\$ 0.39	\$ 0.24	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.29	\$ 0.28	\$ 0.29	\$ 0.31	\$ 1.46	\$ 1.14	\$ 1.18	\$ 1.40
Average Diluted Shares	7.7	7.7	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.6	7.5	7.5	7.6
Period-end Shares	7.7	7.5	7.4	7.4	7.5	7.5	7.5	7.5	7.5	7.6	7.6	7.6	7.4	7.5	7.6	7.7
Book Value Per Share	\$ 15.19	\$ 15.64	\$ 16.03	\$ 16.16	\$ 16.70	\$ 17.47	\$ 17.78	\$ 17.89	\$ 18.01	\$ 18.11	\$ 18.27	\$ 18.38	\$ 16.16	\$ 17.89	\$ 18.38	\$ 19.09
Tangible Book Value Per Share	\$ 13.04	\$ 13.46	\$ 13.84	\$ 13.99	\$ 14.55	\$ 15.35	\$ 15.67	\$ 15.80	\$ 15.94	\$ 16.05	\$ 16.23	\$ 16.36	\$ 13.99	\$ 15.80	\$ 16.36	\$ 17.13
Dividend Per Share	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.44	\$ 0.48	\$ 0.48	\$ 0.48
Performance Ratios																
ROA	0.92%	1.04%	1.03%	0.94%	0.61%	0.70%	0.79%	0.67%	0.65%	0.62%	0.66%	0.70%	0.98%	0.69%	0.66%	0.76%
ROCE	8.8%	9.8%	9.9%	9.0%	5.8%	7.0%	8.1%	6.9%	6.7%	6.3%	6.7%	7.2%	9.4%	7.0%	6.7%	8.0%
ROTCE	10.6%	11.8%	11.8%	10.8%	6.9%	8.2%	9.4%	7.9%	7.5%	7.1%	7.4%	7.8%	11.2%	8.1%	7.5%	8.5%
Pretax Preprovision ROAA	1.22%	1.36%	1.34%	1.22%	1.15%	1.29%	1.31%	1.28%	1.20%	1.13%	1.11%	1.13%	1.28%	1.26%	1.14%	1.15%
Net Interest Margin	3.73%	3.67%	3.65%	3.56%	3.55%	3.38%	3.28%	3.30%	3.44%	3.34%	3.26%	3.28%	3.65%	3.37%	3.33%	3.29%
Efficiency Ratio	71%	70%	70%	72%	73%	69%	69%	69%	71%	72%	73%	72%	71%	70%	72%	72%
Fee Income/Operating Revenue	22%	26%	25%	24%	24%	26%	27%	25%	23%	24%	25%	24%	24%	25%	24%	24%
Dividend Payout Ratio	34%	29%	28%	30%	50%	40%	34%	40%	41%	43%	41%	38%	30%	40%	41%	34%
Total Payout Ratio	34%	148%	105%	30%	50%	40%	34%	40%	41%	43%	41%	38%	82%	40%	41%	34%
Average Balance Sheet																
Loans	724	729	740	748	754	825	868	877	869	871	876	891	735	831	877	931
Securities	252	250	255	273	286	295	300	303	306	307	309	310	258	296	308	314
Earning Assets	993	1,005	1,022	1,052	1,077	1,171	1,249	1,261	1,252	1,244	1,244	1,256	1,018	1,190	1,249	1,293
Assets	1,089	1,103	1,120	1,151	1,176	1,269	1,345	1,357	1,348	1,340	1,340	1,353	1,116	1,287	1,345	1,390
Deposits	909	924	939	968	969	1,060	1,137	1,093	1,051	1,060	1,069	1,078	935	1,065	1,064	1,050
Interest Bearing Liabilities	718	714	724	737	758	780	833	862	869	857	853	860	723	808	860	907
Equity	114	117	117	120	123	127	132	133	134	136	137	138	117	129	136	142
Capital Ratios																
TCE Ratio	9.24%	9.20%	9.21%	9.02%	9.29%	8.78%	8.60%	8.63%	8.77%	8.90%	8.89%	8.89%	9.02%	8.63%	8.89%	8.96%
Tier 1 Common Ratio	13.4%	13.5%	13.4%	13.5%	13.4%	13.0%	13.0%	13.0%	13.2%	13.4%	13.4%	13.4%	13.5%	13.0%	13.4%	13.5%
Leverage Ratio	10.2%	10.2%	10.1%	10.0%	9.9%	9.3%	9.1%	9.1%	9.2%	9.4%	9.4%	9.4%	10.0%	9.1%	9.4%	9.4%
Credit Quality Ratios																
Reserve/Loans	0.88%	0.88%	0.89%	0.90%	1.03%	1.09%	1.20%	1.30%	1.35%	1.36%	1.34%	1.31%	0.90%	1.30%	1.31%	1.33%
Reserve/NPAs	155%	155%	178%	177%	239%	275%	341%	-	-	-	-	-	177%	-	-	-
NPAs/Loans+OREO	0.57%	0.56%	0.50%	0.51%	0.43%	0.40%	0.35%	-	-	-	-	-	0.51%	-	-	-
Net Charge-Off Ratio	0.01%	0.00%	-0.09%	-0.04%	0.00%	0.00%	-0.05%	0.20%	0.45%	0.50%	0.40%	0.35%	-0.03%	0.04%	0.42%	0.16%
Provision/Average Loans	0.06%	0.00%	0.01%	0.00%	0.57%	0.61%	0.49%	0.65%	0.57%	0.50%	0.40%	0.35%	0.02%	0.58%	0.45%	0.27%
Provision/NCOs	750%	900%	-14%	0%	13438%	15625%	-923%	327%	126%	100%	100%	100%	-62%	1412%	107%	167%

Sources: Company Filings, Hovde Group

Model updated as of: 10/23/20

IMPORTANT DISCLOSURES:**Regulation Analyst Certification**

I, Will Curtiss, hereby certify the views expressed in this research report accurately reflect my personal views about the subject security(ies) or issuer(s). I further certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by me in this report.

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Hovde Group, LLC currently makes a market and/or will sell to or buy from customers on a principal basis, the securities of First Community Corporation

Hovde Group, LLC provided and received compensation for providing non-investment banking securities related services for the following subject company within the past 12 months: First Community Corporation.

Analysts' Compensation: The equity research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues, which include revenues from, among other business units, institutional equities and investment banking.

Hovde Group, LLC expects to receive or intends to seek compensation for investment banking services from the following subject company in the next three months: First Community Corporation .

Price Target Risks & Related Risk Factors:

Investment risks associated with the achievement of the price target include, but are not limited to, a company's failure to achieve Hovde Group, LLC's earnings and revenue estimates; unforeseen macroeconomic and/or industry events that adversely affect demand for a company's products or services; product obsolescence; changes in investor sentiment regarding the specific company or industry; intense and rapidly changing competitive pressures; the continuing development of industry standards; the company's ability to recruit and retain competent personnel; and adverse market conditions.

Company Specific Risks:

Risks to the price target, rating, and EPS estimates include: (a) the announcing of a large acquisition that is dilutive to TBV/sh and/or implies considerable integration risk, (b) the announcing of a large, dilutive capital raise, (c) the emergence of unanticipated credit deterioration, (d) NIM compression stemming from heightened deposit pricing competition amid rising ST rates and/or a flattening/inverted yield curve, (e) an economic downturn specific to the company's South Carolina footprint (likely slowing loan growth and pressuring credit quality), and (f) worsening economic conditions and credit losses related to COVID-19 beyond what we are currently expecting.

Valuation Methodology:

Methodology for ratings and target prices includes both qualitative and quantitative factors including an assessment of industry size, structure, trends and overall sector attractiveness; management; competition; financial condition; and expected total return, among other factors. These factors are subject to change depending on overall economic conditions or industry or company-specific occurrences. Hovde Group, LLC analysts base valuations on a combination of forward looking earnings multiples and price-to-tangible book multiples. Hovde Group, LLC, believes this accurately reflects the strong absolute value of earnings, the strong earnings growth rate, the inherent profitability, and adjusted balance sheet factors. Additional company-specific valuation methodology is available through Hovde Group, LLC.

Company Specific Valuation:

Our price target of \$17.00 assumes the shares of First Community Corp. (FCCO) will trade at 12.1x our 2021 EPS est.

Definition of Investment Ratings:

OUTPERFORM: We expect the subject stock to outperform the industry benchmark (NASDAQ Bank) over the next 12 months.

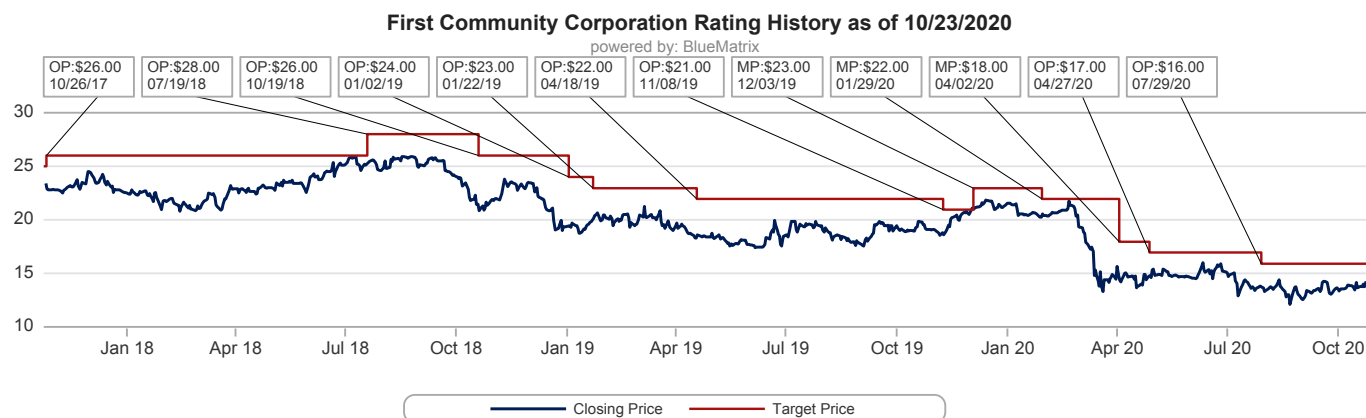
MARKET PERFORM: We expect the subject stock will perform inline with the industry benchmark (NASDAQ Bank) over the next 12 months.

UNDERPERFORM: We expect the subject stock will underperform the industry benchmark (NASDAQ Bank) over the next 12 months.

Ratings Distribution:

Rating Category	Count	Percent	IB Serv./Past 12Mos.	
			Count	Percent
OUTPERFORM	42	53.85%	7	16.67%
MARKET PERFORM	36	46.15%	1	2.78%
UNDERPERFORM	0	0.00%	0	0%

For purposes only of FINRA ratings distribution rules, our Outperform rating falls into a buy rating category; our Market Perform rating falls into a hold rating category; and our Underperform rating falls into a sell rating category.



ADDITIONAL INFORMATION AVAILABLE UPON REQUEST: Contact the Hovde Research Department at 1-855-559-6831, or write to 120 W. Madison Street, Suite 1200, Chicago, IL 60602.

For current company specific disclosures please see the most recently published company report, or contact the Hovde Group Research Department at the address or telephone number listed above. You may also access such disclosures, including price charts or other relevant disclosures, by visiting the following website: <https://hovdegrouppbluematrix.com/sellside/ Disclosures.action>.

Other Disclosures:

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