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COMPANY NOTE
April 26, 2021

First Community Corporation (FCCO) — Neutral

1Q21 Earnings Review; Maintain Neutral Rating

CONCLUSION

Updating Estimates; Maintain Neutral Rating - We are raising our 2021/22E's to $1.90/ $1.84 (from $1.87/$1.72) on lower expected credit costs and a larger projected balance sheet. Our PTPP earnings are expanding marginally from our previous estimates, but most of the change is coming from the lower credit costs. The biggest driver of near-term upside to estimates would likely come from better than expected loan growth - which we are estimating at ~6% in 2021 and 8% in 2022. There is no change to our Neutral rating (or PT) as we wait to see the shakeout in the shares from the upcoming Russell reconstitution. Click here for our first look note.

- **Growth Outlook -** EOP HFI grew by 3.9% as commercial paydowns held back q/q growth, but much of the net-growth occurred late in the quarter which should help avg. balances in 2Q. While growth may not have reached management's expectations this quarter, the team was generally pleased with production levels of ~$40M and an improving pipeline heading into 2Q. FCCO is still confident in being able to generate mid/high single-digit growth over the long-term given its position in tertiary markets like Greenville, SC, which have benefited from recent migration trends and a more effective reopening. We are modeling for loan growth of ~7% for the rest of '21 and before ticking up to 8% in '22.

- **NIM Ex-PPP Set to Move Lower as New Loans Dilute Avg Yield -** The GAAP NIM fell by 8 bps q/q largely due to lower than expected PPP income ($0.7M vs our $1.2M est) and weaker loan yields. The NIM ex-PPP fell by 12 bps as loan yields declined by 14 bps q/q to 4.46%, while 3 bps of relief in the cost of deposits provided a slight offset. We continue to think the NIM ex-PPP will bleed down from here as FCCO adds new loans around 4% and additions to the securities book come on at lower rates, while the bank is getting closer to the floor on deposit costs. We are modeling for the NIM ex-PPP to decline to slightly from here, while the GAAP NIM stays in the low 3.20%'s.

- **Mortgage Inefficiencies Addressed-** Mortgage banking income fell by 38% q/q on a 2.32% GoS margin as the bank continued to work through operational issues within this segment. It sounds like these issues should be ironed out now, and FCCO is hopeful that the GoS margin will recover to the 3.25% range soon.

- **FCCO Would Like to Grow into LLR** - Following a quarter with just $0.2M in LLP and essentially zero NCOs, the LLR ex-PPP now sits at 1.31%. The bank would ideally like to grow into the dollar amount that they have already set aside from the reserve, but management did note that it could release some of its COVID-specific reserve if qualitative factors continue to show improvement.

RISKS TO ACHIEVEMENT OF PT & RECOMMENDATION

Include higher-than-anticipated credit costs, a capital raise, and a longer recession.

COMPANY DESCRIPTION

First Community is a $1.5B-in-asset bank based in the Columbia, SC. MSA.

YEAR	EARNINGS PER SHARE (US$)					
	Mar	Jun	Sep	Dec	FY	FY P/E
2020A	0.24	0.30	0.29	0.46	1.29	14.8x
2021E	0.42A	0.53	0.50	0.45	1.90	10.0x
2022E	0.41	0.45	0.47	0.51	1.84	10.4x

PRICE: US$19.05
TARGET: US$21.00
Our price target assumes the shares will trade at ~1.2x year-out TBVPS and implies ~12x our 2022E.

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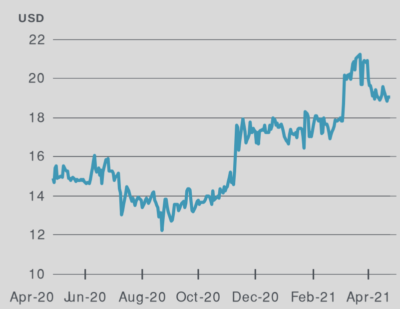
Changes	Previous	Current
Rating	—	Neutral
Price Tgt	—	US$21.00
FY21E EPS	US$1.87	US$1.90
FY22E EPS	US$1.72	US$1.84

Market Cap. (mil)	US$142.1
Book Value/Share	US$17.63
Tang. Book/Share	$15.55
Price/Book	108%
Price/Tang.Book	123%
52-Week High / Low	US$22.00 / US$12.23
Avg Daily Vol (000)	21
Div Yield	2.52%
Total Assets ($mil)	1,395
Shares Out (mil)	7.5
Div (ann)	US$0.48
Avg Daily Vol (raw)	21,395.0
Fiscal Year End	Dec

Price Performance - 1 Year



Source: Bloomberg

Piper Sandler Companies
First Community Corporation
($'s in millions, except per share amounts)
FCCO

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Last Updated: 4/26/2021

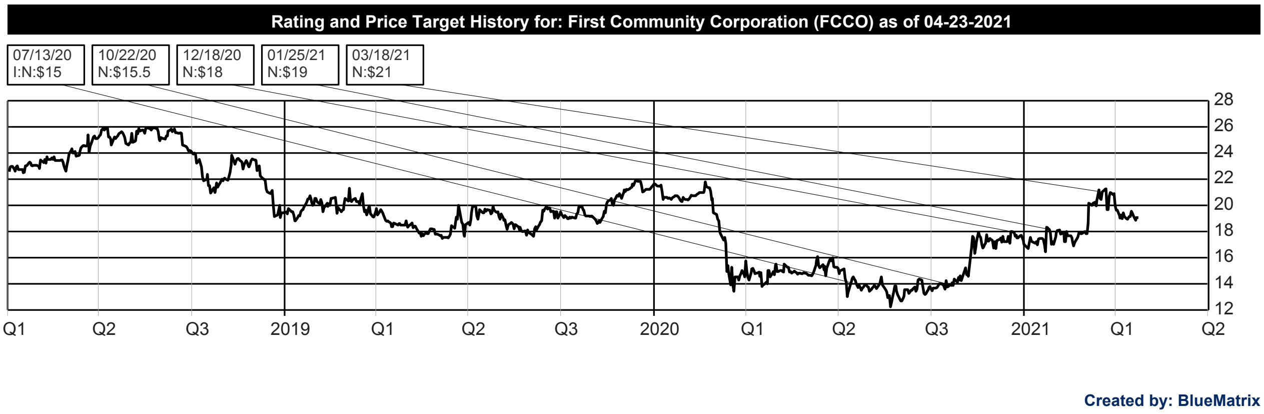
	2019	%Δ	1Q20	2Q20	3Q20	4Q20	2020	%Δ	1Q21A	2Q21E	3Q21E	4Q21E	2021E	%Δ	1Q22E	2Q22E	3Q22E	4Q22E	2022E	%Δ
	$ 1.44		$ 0.24	$ 0.30	$ 0.29	$ 0.46	$ 1.29		$ 0.42	$ 0.53	$ 0.50	$ 0.45	$ 1.90		$ 0.41	$ 0.45	$ 0.47	$ 0.51	$ 1.84	
Income Statement																				
Net Interest Income	36.85	3%	9.42	9.74	10.18	10.69	40.02	9%	10.57	10.99	10.97	10.73	43.26	8%	10.32	10.42	10.75	10.81	42.30	-2%
FTE adjustment	0.36	-22%	0.08	0.10	0.11	0.10	0.39	8%	0.11	0.11	0.11	0.11	0.43	10%	0.11	0.11	0.11	0.11	0.42	-1%
Net Interest Income (FTE)	**37.21**	**3%**	**9.50**	**9.85**	**10.28**	**10.79**	**40.41**	**9%**	**10.68**	**11.10**	**11.08**	**10.84**	**43.69**	**8%**	**10.42**	**10.53**	**10.85**	**10.92**	**42.72**	**-2%**
Loan Loss Provision	0.14	-60%	1.08	1.25	1.06	0.28	3.66	2535%	0.18	0.27	0.53	0.54	1.51	-59%	0.31	0.36	0.47	0.13	1.28	-15%
Net Income After LLP	**37.07**	**3%**	**8.42**	**8.60**	**9.22**	**10.51**	**36.75**	**-1%**	**10.50**	**10.83**	**10.55**	**10.30**	**42.18**	**15%**	**10.11**	**10.17**	**10.38**	**10.79**	**41.45**	**-2%**
Operating Revenue	**49.09**	**4%**	**12.42**	**13.23**	**13.58**	**14.39**	**53.63**	**9%**	**13.89**	**14.74**	**14.71**	**14.32**	**57.67**	**8%**	**13.88**	**14.33**	**14.69**	**14.58**	**57.47**	**0%**
Deposit Service Charges	1.65	-7%	0.40	0.21	0.24	0.27	1.12	-32%	0.25	0.29	0.32	0.31	1.17	5%	0.26	0.34	0.36	0.35	1.30	11%
Mortgage Banking Income	4.56	17%	0.98	1.57	1.40	1.60	5.56	22%	0.99	1.50	1.38	1.18	5.05	-9%	1.10	1.45	1.40	1.15	5.10	1%
Wealth Management	2.02	20%	0.63	0.67	0.67	0.74	2.72	35%	0.88	0.83	0.88	0.92	3.51	29%	1.01	0.93	0.97	1.02	3.93	12%
Other income	3.66	1%	0.91	0.93	0.98	0.99	3.81	4%	1.11	1.02	1.05	1.07	4.25	11%	1.09	1.08	1.11	1.14	4.42	4%
Core Fee Income	**11.89**	**8%**	**2.92**	**3.4**	**3.3**	**3.6**	**13.21**	**11%**	**3.2**	**3.6**	**3.6**	**3.5**	**13.98**	**6%**	**3.5**	**3.8**	**3.8**	**3.7**	**14.75**	**6%**
Securities gains	0.14	-140%	0.00	0.00	0.10	0.00	0.10	-27%	0.00	0.00	0.00	0.00	0.00	-100%	0.00	0.00	0.00	0.00	0.00	NA
Non-recurring income	-0.29	-1288%	0.01	0.00	0.45	0.00	0.46	-261%	0.08	0.00	0.00	0.00	0.08	-83%	0.00	0.00	0.00	0.00	0.00	-100%
Total Fee Income	**11.74**	**10%**	**2.93**	**3.39**	**3.85**	**3.60**	**13.77**	**17%**	**3.30**	**3.64**	**3.63**	**3.49**	**14.06**	**2%**	**3.46**	**3.80**	**3.83**	**3.66**	**14.75**	**5%**
Salaries and employee benefits	21.26	9%	5.65	5.84	6.09	6.45	24.03	13%	5.96	5.93	6.01	6.05	23.96	0%	6.20	6.14	6.23	6.30	24.88	4%
Occupancy and Equipment	4.19	8%	0.96	0.98	1.05	0.95	3.95	-6%	1.01	1.06	1.07	1.07	4.19	6%	1.09	1.11	1.13	1.14	4.47	7%
Marketing	1.12	21%	0.35	0.25	0.34	0.10	1.04	-6%	0.40	0.18	0.26	0.36	1.19	15%	0.27	0.30	0.28	0.16	1.01	-16%
FDIC	0.29	-23%	0.04	0.09	0.14	0.14	0.40	41%	0.17	0.17	0.17	0.17	0.68	68%	0.17	0.17	0.17	0.17	0.68	1%
CDI Amortization	0.52	-7%	0.11	0.10	0.10	0.07	0.36	-31%	0.06	0.06	0.06	0.06	0.23	-36%	0.06	0.06	0.06	0.06	0.25	7%
Other Non-Interest Expense	7.39	9%	1.89	1.84	1.92	1.90	7.55	2%	1.92	1.96	2.00	2.06	7.93	5%	2.12	2.14	2.15	2.18	8.59	8%
Non credit expense	**34.77**	**9%**	**9.00**	**9.09**	**9.64**	**9.60**	**37.33**	**7%**	**9.51**	**9.35**	**9.56**	**9.77**	**38.19**	**2%**	**9.91**	**9.93**	**10.03**	**10.01**	**39.89**	**4%**
OREO costs	0.08	-17%	0.04	0.04	0.08	0.05	0.20	148%	0.03	0.03	0.03	0.03	0.12	-42%	0.03	0.03	0.03	0.03	0.12	0%
Core Non-interest Expense	**34.85**	**8%**	**9.04**	**9.13**	**9.71**	**9.65**	**37.53**	**8%**	**9.54**	**9.38**	**9.59**	**9.80**	**38.31**	**2%**	**9.94**	**9.96**	**10.06**	**10.04**	**40.00**	**4%**
Non-recurring expense	-0.23	NA	0.00	0.00	0.00	0.00	0.00	-100%	0.00	0.00	0.00	0.00	0.00	NA	0.00	0.00	0.00	0.00	0.00	NA
Total Non-interest Expense	**34.62**	**8%**	**9.04**	**9.13**	**9.71**	**9.65**	**37.53**	**8%**	**9.54**	**9.38**	**9.59**	**9.80**	**38.31**	**2%**	**9.94**	**9.96**	**10.06**	**10.04**	**40.00**	**4%**
Efficiency Ratio	**71.0%**		**72.8%**	**69.0%**	**71.5%**	**67.0%**	**70.0%**		**68.7%**	**63.6%**	**65.2%**	**68.4%**	**66.4%**		**71.6%**	**69.5%**	**68.5%**	**68.9%**	**69.6%**	
Net non-recurring items	**0.1**	**-125%**	**0.0**	**0.0**	**0.6**	**0.0**	**0.6**	**588%**	**0.1**	**0.0**	**0.0**	**0.0**	**0.1**	**-86%**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-100%**
Pre-tax, pre-provision income	14.25	-5%	3.38	4.10	3.87	4.74	16.09	13%	4.35	5.36	5.12	4.53	19.36	20%	3.94	4.37	4.62	4.54	17.47	-10%
Pre-tax, pre-credit costs income	14.33	-5%	3.41	4.14	3.95	4.79	16.29	14%	4.38	5.39	5.15	4.56	19.48	20%	3.97	4.40	4.65	4.57	17.59	-10%
Operating Income	14.11	-4%	2.30	2.85	2.81	4.47	12.43	-12%	4.18	5.09	4.59	3.99	17.85	44%	3.63	4.01	4.15	4.41	16.19	-9%
Pretax Income	13.83	-1%	2.23	2.75	3.25	4.36	12.60	-9%	4.15	4.99	4.48	3.89	17.50	39%	3.52	3.90	4.04	4.30	15.77	-10%
Total Tax Expense	**2.86**	**6%**	**0.44**	**0.53**	**0.60**	**0.93**	**2.50**	**-13%**	**0.89**	**1.06**	**0.95**	**0.82**	**3.72**	**49%**	**0.75**	**0.83**	**0.86**	**0.91**	**3.34**	**-10%**
Effective Tax Rate	20.7%	7%	19.6%	19.4%	18.4%	21.3%	19.8%	-4%	21.5%	21.2%	21.2%	21.2%	21.3%	7%	21.2%	21.2%	21.2%	21.2%	21.2%	0%
Net Income before Extraordinary	10.97	-2%	1.79	2.22	2.65	3.44	10.10	-8%	3.26	3.93	3.53	3.06	13.78	36%	2.77	3.07	3.19	3.39	12.43	-10%
Net Income	10.97	-2%	1.79	2.22	2.65	3.44	10.10	-8%	3.26	3.93	3.53	3.06	13.78	36%	2.77	3.07	3.19	3.39	12.43	-10%
Preferred Dividends (& accretion)	0.0	NA	0.00	0.0	0.0	0.0	0.0	NA	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0	0.0	0.0	0.0	NA
Net Income to Common	**10.97**	**-2%**	**1.79**	**2.22**	**2.65**	**3.44**	**10.10**	**-8%**	**3.26**	**3.93**	**3.53**	**3.06**	**13.78**	**36%**	**2.77**	**3.07**	**3.19**	**3.39**	**12.43**	**-10%**
Core Net Income	**10.91**	**-5%**	**1.79**	**2.22**	**2.20**	**3.44**	**9.65**	**-12%**	**3.19**	**3.93**	**3.53**	**3.06**	**13.72**	**42%**	**2.77**	**3.07**	**3.19**	**3.39**	**12.43**	**-9%**
Per Share Information																				
Avg Diluted Shares (mil)	7.6	-2%	7.5	7.5	7.5	7.5	7.5	-1%	7.5	7.4	7.1	6.9	7.2	-4%	6.8	6.8	6.7	6.7	6.7	-6%
EOP Shares	7.4	-3%	7.5	7.5	7.5	7.5	7.5	1%	7.5	7.4	7.1	6.9	6.9	-8%	6.8	6.8	6.7	6.7	6.7	-3%
Est. (buyback) / issuance	-0.2		0.0	0.0	0.0	0.0	0.1		0.0	-0.2	-0.3	-0.2	-0.7		-0.1	-0.1	-0.1	-0.1	-0.2	
Est. price/share	0.0		0.0	0.0	0.0	14.5	3.6		0.0	18.8	17.5	18.5	13.7		20.5	21.0	22.0	22.5	21.5	
Total $'s of Capital	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	-$2.81	-$5.25	-$3.70	-$11.76		-$1.03	-$1.05	-$1.10	-$1.13	-$4.30	
Reported EPS	$ 1.45	-1%	$ 0.24	$ 0.30	$ 0.35	$ 0.46	$ 1.35	-7%	$ 0.43	$ 0.53	$ 0.50	$ 0.45	$ 1.91	42%	$ 0.41	$ 0.45	$ 0.47	$ 0.51	$ 1.84	-4%
Core EPS	$ 1.44	-3%	$ 0.24	$ 0.30	$ 0.29	$ 0.46	$ 1.29	-10%	$ 0.42	$ 0.53	$ 0.50	$ 0.45	$ 1.90	48%	$ 0.41	$ 0.45	$ 0.47	$ 0.51	$ 1.84	-3%
EPS growth rate (%)	-3.3%		-144%	96%	-4%	222%	-10.3%		-29%	102%	-25%	-43%	47.6%		-35%	46%	18%	29%	-3.2%	
P/E Ratio LTM	0.0x	NA	0.0x	0.0x	0.0x	0.0x	0.0x	NA	0.0x	0.0x	0.0x	0.0x	0.0x	NA	0.0x	0.0x	0.0x	0.0x	0.0x	NA
Book Value per share	$ 16.16	10%	$ 16.70	$ 17.47	$ 17.78	$ 18.18	$ 18.18	13%	$ 17.63	$ 18.02	$ 18.42	$ 18.75	$ 18.75	3%	$ 19.02	$ 19.34	$ 19.67	$ 20.04	$ 20.04	7%
Tangible Book Value per share	$ 13.99	11%	$ 14.55	$ 15.35	$ 15.67	$ 16.08	$ 16.08	15%	$ 15.55	$ 15.90	$ 16.21	$ 16.47	$ 16.47	2%	$ 16.73	$ 17.03	$ 17.35	$ 17.70	$ 17.70	7%
TBV Growth (%)	11.5%	NA	16%	22%	8%	10%	14.9%	NA	-13%	9%	8%	6%	2.4%	NA	6%	7%	7%	8%	7.5%	NA
Dividend	$ 0.45	13%	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.48	7%	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.48	0%	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.48	0%
Payout Ratio (%)	31%	16%	50%	40%	41%	26%	37%	19%	28%	23%	24%	27%	25%	-32%	30%	26%	25%	24%	26%	3%
Performance Ratios																				
Return on Average Assets	0.98%	-8%	0.61%	0.70%	0.65%	0.98%	0.74%	-24%	0.90%	1.06%	0.94%	0.83%	0.93%	25%	0.77%	0.85%	0.86%	0.91%	0.85%	-9%
Return on Average Common Equity	9.33%	-13%	5.83%	7.03%	6.65%	10.26%	7.49%	-20%	9.56%	11.60%	10.52%	9.22%	10.23%	37%	8.48%	9.21%	9.35%	9.84%	9.23%	-10%
Return on Tangible Common Equity	10.48%	-13%	6.63%	7.76%	7.46%	11.34%	8.00%	-24%	11.07%	13.44%	12.22%	10.73%	12.12%	51%	9.86%	10.69%	10.84%	11.39%	10.52%	-13%
PTPP Income	14.2	-5%	3.4	4.1	3.9	4.7	16.1	13%	4.4	5.4	5.1	4.5	19.4	20%	3.9	4.4	4.6	4.5	17.5	-10%
PTPP Income / Shr	1.88		0.45	0.55	0.52	0.63	2.15	15%	0.58	0.73	0.72	0.66	2.69	25%	0.58	0.65	0.69	0.68	2.59	-4%
PTPP ROA	1.28%	-9%	1.16%	1.30%	1.14%	1.36%	1.24%	-3%	1.23%	1.44%	1.37%	1.22%	1.32%	6%	1.10%	1.21%	1.25%	1.22%	1.19%	-9%
Net Interest Margin, FTE	3.65%	-1%	3.55%	3.38%	3.28%	3.31%	3.37%	-8%	3.23%	3.31%	3.28%	3.26%	3.27%	-3%	3.22%	3.22%	3.24%	3.24%	3.23%	-1%
Avg Earning Asset Yield	4.22%	3%	4.03%	3.77%	3.53%	3.54%	3.72%	-12%	3.43%	3.52%	3.47%	3.44%	3.47%	-7%	3.39%	3.39%	3.40%	3.41%	3.40%	-2%
Cost of Interest Bearing Liabilities	0.80%	44%	0.69%	0.47%	0.38%	0.34%	0.47%	-41%	0.29%	0.28%	0.26%	0.24%	0.27%	-43%	0.23%	0.23%	0.22%	0.22%	0.23%	-16%
Fee Income / Operating Revenue	24.2%	4%	23.5%	25.6%	24.3%	25.0%	24.6%	2%	23.2%	24.7%	24.7%	24.3%	24.2%	-2%	24.9%	26.5%	26.1%	25.1%	25.7%	6%
Fee Income / Average Assets	1.07%		1.00%	1.07%	0.98%	1.03%	1.02%		0.91%	0.98%	0.97%	0.94%	0.95%		0.96%	1.05%	1.04%	0.98%	1.01%	
Effective Tax Rate (FTE)	20.7%	7%	19.6%	19.4%	18.4%	21.3%	19.8%	-4%	21.5%	21.2%	21.2%	21.2%	21.3%	7%	21.2%	21.2%	21.2%	21.2%	21.2%	0%
Statutory Tax Rate	35.0%	NA	35.0%	35.0%	35.0%	35.0%	35.0%	NA	35.0%	35.0%	35.0%	35.0%	35.0%	NA	35.0%	35.0%	35.0%	35.0%	35.0%	NA
Quarterly Growth Rates																				
Average HFI Loan Growth	7.1%		-3.2%	15.3%	6.7%	10.3%	5.4%		-3.5%	7.5%	9.0%	5.0%	5.8%		5.5%	8.0%	11.0%	6.5%	7.4%	
EOP HFI Loan Growth	2.6%		6.8%	10.7%	13.0%	1.0%	8.1%		3.9%	6.5%	9.0%	5.0%	6.2%		5.5%	8.0%	11.0%	6.5%	8.0%	
Average Earning Assets	3.8%		10%	35%	26%	15%	17.7%		13%	2%	-2%	-6%	11.4%		-2%	0%	5%	3%	-1.0%	
Average Total Deposits	2.2%		0.8%	37.6%	28.9%	15.7%	16.3%		9.0%	22.4%	0.5%	-2.0%	15.7%		-2.8%	-0.3%	3.0%	4.0%	0.9%	
Total Assets	7.2%		5.2%	47.3%	17.1%	3.9%	19.2%		28.2%	-0.3%	-2.2%	-6.8%	4.5%		-1.9%	0.4%	6.7%	1.8%	1.8%	
Net Interest Income (FTE)	2.8%		3%	15%	18%	20%	8.6%		-4%	16%	-1%	-9%	8.1%		-16%	4%	12%	3%	-2.2%	
Non-interest Income	8.4%		-36%	64%	-10%	37%	11.2%		-43%	53%	-1%	-16%	5.8%		-3%	39%	4%	-18%	5.5%	
Operating Revenues	4.1%		-7%	26%	10%	24%	9.2%		-14%	24%	-1%	-10%	7.5%		-13%	13%	10%	-3%	-0.3%	
Non-interest Expense	7.8%		8%	4%	25%	-3%	8.4%		-5%	-7%	9%	9%	2.1%		6%	1%	4%	-1%	4.4%	

First Community Corporation
($'s in millions, except per share amounts)
FCCO

stephen.scouten@psc.com
Last Updated: 4/26/2021

FCCO	$ 1.44		$ 0.24	$ 0.30	$ 0.29	$ 0.46	$ 1.29		$ 0.42	$ 0.53	$ 0.50	$ 0.45	$ 1.90		$ 0.41	$ 0.45	$ 0.47	$ 0.51	$ 1.84	
	2019	%Δ	1Q20	2Q20	3Q20	4Q20	2020	%Δ	1Q21A	2Q21E	3Q21E	4Q21E	2021E	%Δ	1Q22E	2Q22E	3Q22E	4Q22E	2022E	%Δ
Balance Sheet Ratios																				
Loans / Deposits	78.66%	5%	76.56%	72.66%	68.90%	68.00%	71.28%	-9%	65.94%	63.63%	64.98%	66.12%	65.16%	-9%	67.53%	68.92%	70.29%	70.73%	69.37%	6%
Avg Loans / Avg Earning Assets	72.20%	3%	68.89%	65.77%	62.74%	61.96%	64.65%	-10%	59.49%	60.34%	61.94%	63.71%	61.36%	-5%	64.92%	66.28%	67.20%	67.87%	66.57%	9%
Avg. Earning Assets / Assets	91.25%	0%	91.57%	92.27%	92.83%	93.17%	92.50%	1%	93.30%	90.15%	90.08%	89.68%	90.78%	-2%	90.24%	90.33%	90.72%	90.33%	90.41%	0%
Securities / Avg Earning Assets	25.29%	-9%	26.58%	25.18%	24.02%	24.85%	25.10%	-1%	27.88%	27.59%	27.34%	27.08%	27.47%	9%	26.94%	26.42%	25.75%	25.26%	26.09%	-5%
Avg. Equity / Avg Assets	10.48%	5%	10.50%	10.00%	9.79%	9.57%	9.94%	-5%	9.45%	9.10%	8.96%	8.96%	9.11%	-8%	9.12%	9.22%	9.23%	9.23%	9.20%	1%
TCE (%)	**9.02%**	**1%**	**9.29%**	**8.78%**	**8.60%**	**8.74%**	**8.74%**	**-3%**	**7.92%**	**7.94%**	**7.81%**	**7.85%**	**7.85%**	**-10%**	**7.95%**	**8.03%**	**7.98%**	**8.05%**	**8.05%**	**3%**
Estimated Excess Capital (7% TCE tgt.)	$11.74	19%	$15.06	$10.17	$8.14	$10.21	$10.21	-13%	-$1.16	-$0.83	-$2.73	-$2.16	-$2.16	-121%	-$0.67	$0.44	-$0.24	$0.71	$0.71	-133%
Tier 1 Leverage Ratio	9.97%		9.91%	9.31%	8.95%	8.84%	8.84%		8.73%											
Tier 1 Risk-Based Capital Ratio	13.47%		13.35%	13.02%	12.97%	12.83%	12.83%		13.13%											
Total Capital Ratio	14.26%		14.25%	14.03%	14.08%	13.94%	13.94%		14.26%											
Tier 1 Common Ratio	13.47%		13.35%	13.02%	12.97%	12.83%	12.83%		13.13%											
Average Balance Sheet																				
HFI Loans	$ 735	7%	$ 742	$ 770	$ 783	$ 804	$ 775	5%	$ 797	$ 812	$ 830	$ 840	$ 820	6%	$ 852	$ 869	$ 893	$ 908	$ 880	7%
HFS Loans	$ -	NA	$ 12	$ 23	$ 36	$ 41	$ 27.8	NA	$ 34	$ 25	$ 27	$ 27	$ 28.3	2%	$ 25	$ 24	$ 26	$ 26	$ 25.1	-11%
PPP Loans	$ -	NA	$ -	$ 32	$ 49	$ 48	$ 32	NA	$ 56	$ 57	$ 41	$ 25	$ 45	39%	$ 13	$ 5	$ 1	$ -	$ 4	-90%
Total Loans	$ 735	7%	$ 754	$ 825	$ 868	$ 893	$ 835	14%	$ 886	$ 893	$ 898	$ 893	$ 893	7%	$ 890	$ 898	$ 919	$ 933	$ 910	2%
Total Loans (ex. PPP)	$ 735	7%	$ 754	$ 793	$ 819	$ 845	$ 803	9%	$ 831	$ 837	$ 857	$ 867	$ 848	6%	$ 877	$ 894	$ 919	$ 933	$ 906	7%
Securities	$ 258	-5%	$ 286	$ 295	$ 300	$ 322	$ 301	17%	$ 373	$ 371	$ 366	$ 357	$ 367	22%	$ 354	$ 347	$ 342	$ 338	$ 345	-6%
Other Earning Assets	$ 26	10%	$ 37	$ 51	$ 81	$ 82	$ 63	146%	$ 79	$ 81	$ 76	$ 69	$ 76	21%	$ 69	$ 67	$ 68	$ 66	$ 67	-12%
Earning Assets	$ 1,018	4%	$ 1,077	$ 1,171	$ 1,249	$ 1,297	$ 1,198	18%	$ 1,339	$ 1,345	$ 1,340	$ 1,319	$ 1,336	11%	$ 1,313	$ 1,311	$ 1,329	$ 1,337	$ 1,323	-1%
Non-int Assets	$ 98	2%	$ 99	$ 98	$ 97	$ 95	$ 97	-1%	$ 96	$ 147	$ 148	$ 152	$ 136	40%	$ 142	$ 140	$ 136	$ 143	$ 140	3%
Assets	$ 1,116	4%	$ 1,176	$ 1,269	$ 1,345	$ 1,392	$ 1,296	16%	$ 1,435	$ 1,492	$ 1,487	$ 1,471	$ 1,471	14%	$ 1,455	$ 1,452	$ 1,465	$ 1,480	$ 1,463	-1%
Non-interest Bearing Deposits	$ 264	8%	$ 282	$ 349	$ 368	$ 377	$ 344	30%	$ 390	$ 396	$ 384	$ 388	$ 389	13%	$ 378	$ 387	$ 407	$ 411	$ 396	2%
Interest Bearing Deposits	$ 671	0%	$ 688	$ 711	$ 769	$ 805	$ 743	11%	$ 818	$ 880	$ 893	$ 883	$ 868	17%	$ 884	$ 874	$ 864	$ 872	$ 873	1%
Total Deposits	$ 935	2%	$ 969	$ 1,060	$ 1,137	$ 1,182	$ 1,087	16%	$ 1,208	$ 1,275	$ 1,277	$ 1,271	$ 1,258	16%	$ 1,262	$ 1,261	$ 1,271	$ 1,283	$ 1,269	1%
Other Borrowings	$ 52	14%	$ 70	$ 69	$ 63	$ 64	$ 67	27%	$ 78	$ 71	$ 66	$ 57	$ 68	2%	$ 50	$ 47	$ 50	$ 51	$ 50	-27%
Interest Bearing Liabilities	$ 723	1%	$ 758	$ 780	$ 833	$ 869	$ 810	12%	$ 896	$ 950	$ 959	$ 940	$ 936	16%	$ 934	$ 921	$ 913	$ 923	$ 923	-1%
Other Liabilities	$ 12	45%	$ 13	$ 13	$ 13	$ 13	$ 13	12%	$ 13	$ 10	$ 11	$ 11	$ 11	-14%	$ 10	$ 10	$ 10	$ 9	$ 10	-16%
Total Liabilities	$ 999	3%	$ 1,053	$ 1,142	$ 1,213	$ 1,259	$ 1,167	17%	$ 1,300	$ 1,356	$ 1,354	$ 1,339	$ 1,337	15%	$ 1,322	$ 1,318	$ 1,330	$ 1,344	$ 1,328	-1%
Average Preferred Equity	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA
Average Common Equity	$ 117	9%	$ 123	$ 127	$ 132	$ 133	$ 129	10%	$ 136	$ 136	$ 133	$ 132	$ 134	4%	$ 133	$ 134	$ 135	$ 137	$ 135	0%
Average Total Equity	$ 117	9%	$ 123	$ 127	$ 132	$ 133	$ 129	10%	$ 136	$ 136	$ 133	$ 132	$ 134	4%	$ 133	$ 134	$ 135	$ 137	$ 135	0%
EOP Balance Sheet																				
Cash and Equivalents	$ 48	48%	$ 49	$ 93	$ 124	$ 65	$ 65	36%	$ 67	$ 69	$ 64	$ 57	$ 57	-12%	$ 52	$ 49	$ 50	$ 49	$ 49	-15%
HFI Loans	$ 737	3%	$ 750	$ 770	$ 795	$ 797	$ 797	8%	$ 804	$ 817	$ 836	$ 846	$ 846	6%	$ 858	$ 875	$ 899	$ 914	$ 914	8%
HFS Loans	$ 11	246%	$ 12	$ 33	$ 38	$ 45	$ 45	304%	$ 23	$ 27	$ 27	$ 27	$ 27	-41%	$ 23	$ 25	$ 26	$ 25	$ 25	-5%
PPP Loans	$ -	NA	$ -	$ 48	$ 50	$ 47	$ 47	NA	$ 65	$ 49	$ 34	$ 17	$ 17	-64%	$ 8	$ 1	$ -	$ -	$ -	-100%
Total Loans	$ 748	4%	$ 761	$ 851	$ 882	$ 889	$ 889	19%	$ 893	$ 893	$ 897	$ 890	$ 890	0%	$ 890	$ 901	$ 925	$ 939	$ 939	6%
Total Loans (ex. PPP)	$ 748	4%	$ 761	$ 803	$ 832	$ 842	$ 842	13%	$ 828	$ 844	$ 863	$ 873	$ 873	4%	$ 881	$ 900	$ 925	$ 939	$ 939	8%
Securities and other investments	$ 289	13%	$ 291	$ 298	$ 296	$ 362	$ 362	25%	$ 408	$ 405	$ 400	$ 390	$ 390	8%	$ 384	$ 376	$ 372	$ 367	$ 367	-6%
Intangible Assets	$ 16	-3%	$ 16	$ 16	$ 16	$ 16	$ 16	-2%	$ 16	$ 16	$ 16	$ 16	$ 16	-1%	$ 16	$ 16	$ 16	$ 16	$ 16	0%
Other Real Estate Owned	$ 1.4	-3%	$ 1	$ 1	$ 1	$ 1	$ 1.2	-15%	$ 1	$ 1	$ 1	$ 1	$ 1.0	-17%	$ 1	$ 1	$ 1	$ 1	$ 0.9	-10%
Other Assets	$ 75	7%	$ 74	$ 75	$ 74	$ 73	$ 73	-3%	$ 119	$ 119	$ 117	$ 115	$ 115	58%	$ 120	$ 120	$ 125	$ 123	$ 123	7%
Assets	$ 1,170	7%	$ 1,185	$ 1,325	$ 1,382	$ 1,395	$ 1,395	19%	$ 1,492	$ 1,491	$ 1,483	$ 1,458	$ 1,458	4%	$ 1,451	$ 1,453	$ 1,477	$ 1,484	$ 1,484	2%
Tangible Assets	$ 1,154	7%	$ 1,169	$ 1,309	$ 1,366	$ 1,380	$ 1,380	20%	$ 1,477	$ 1,476	$ 1,468	$ 1,442	$ 1,442	5%	$ 1,435	$ 1,437	$ 1,461	$ 1,468	$ 1,468	2%
Deposits	$ 988	7%	$ 987	$ 1,119	$ 1,174	$ 1,189	$ 1,189	20%	$ 1,271	$ 1,279	$ 1,275	$ 1,267	$ 1,267	6%	$ 1,257	$ 1,265	$ 1,276	$ 1,290	$ 1,290	2%
Borrowings	$ 48	12%	$ 61	$ 61	$ 62	$ 56	$ 56	15%	$ 75	$ 66	$ 65	$ 49	$ 49	-12%	$ 51	$ 43	$ 56	$ 46	$ 46	-6%
Other liabilities	$ 13	29%	$ 13	$ 15	$ 13	$ 14	$ 14	3%	$ 13	$ 13	$ 13	$ 13	$ 13	-5%	$ 13	$ 13	$ 13	$ 13	$ 13	0%
Liabilities	$ 1,050	7%	$ 1,061	$ 1,194	$ 1,249	$ 1,259	$ 1,259	20%	$ 1,360	$ 1,358	$ 1,353	$ 1,329	$ 1,329	6%	$ 1,321	$ 1,322	$ 1,345	$ 1,350	$ 1,350	2%
Preferred Equity	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA
Common Equity	$ 120	7%	$ 125	$ 131	$ 133	$ 136	$ 136	13%	$ 133	$ 133	$ 130	$ 129	$ 129	-5%	$ 130	$ 131	$ 132	$ 134	$ 134	4%
Total Equity	$ 120	7%	$ 125	$ 131	$ 133	$ 136	$ 136	13%	$ 133	$ 133	$ 130	$ 129	$ 129	-5%	$ 130	$ 131	$ 132	$ 134	$ 134	4%
Tangible Equity	$ 104	9%	$ 109	$ 115	$ 117	$ 121	$ 121	16%	$ 117	$ 117	$ 115	$ 113	$ 113	-6%	$ 114	$ 115	$ 117	$ 118	$ 118	4%
Tangible Common Equity	$ 104	9%	$ 109	$ 115	$ 117	$ 121	$ 121	16%	$ 117	$ 117	$ 115	$ 113	$ 113	-6%	$ 114	$ 115	$ 117	$ 118	$ 118	4%
Credit Quality Ratios																				
Loan Loss Reserve	6.6	6%	7.7	8.9	10.1	10.4	10.4	57%	10.6	10.5	10.6	10.7	10.7	3%	10.6	10.7	10.7	10.5	10.5	-1%
LLR / Loans (%) ex PPP	0.90%	3%	1.03%	1.16%	1.27%	1.30%	1.30%	45%	1.31%	1.29%	1.27%	1.26%	1.26%	-3%	1.24%	1.22%	1.19%	1.15%	1.15%	-9%
Change in Reserve	0.4	-22%	1.1	1.2	1.2	0.3	3.8	934%	0.2	0.0	0.1	0.0	0.3	-93%	0.0	0.0	0.0	-0.2	-0.2	-157%
LLR Release per share	($0.05)	-21%	$ (0.14)	$ (0.17)	$ (0.16)	$ (0.04)	($0.50)	949%	$ (0.02)	$ 0.00	$ (0.01)	$ (0.01)	($0.04)	-92%	$ 0.00	$ (0.01)	$ (0.00)	$ 0.03	$0.02	-160%
Net Charge Offs	-0.2	86%	0.0	0.0	-0.1	0.0	-0.1	-47%	0.0	0.3	0.5	0.5	1.2	-1127%	0.3	0.3	0.5	0.3	1.4	16%
NCOs / Avg Loans (%) annualized	-0.03%	74%	0.00%	0.00%	-0.06%	-0.01%	-0.02%	-49%	0.00%	0.14%	0.22%	0.23%	0.15%	-1071%	0.16%	0.15%	0.20%	0.14%	0.16%	8%
Provision	0.1	-60%	1.1	1.3	1.1	0.3	3.7	2535%	0.2	0.3	0.5	0.5	1.5	-59%	0.3	0.4	0.5	0.1	1.3	-15%
Excess Provision	0.4	-22%	1.1	1.2	1.2	0.3	3.8	939%	0.2	0.0	0.1	0.0	0.3	-93%	0.0	0.0	0.0	-0.2	-0.2	-156%
LLP / Avg Loans	0.02%	-63%	0.57%	0.61%	0.49%	0.12%	0.44%	2221%	0.08%	0.12%	0.23%	0.24%	0.17%	-61%	0.14%	0.16%	0.20%	0.05%	0.14%	-17%
Nonaccrual Loans	2.3	-9%	1.7	1.8	1.7	4.6	4.6	96%	4.5	4.5	4.4	4.4	4.4	-5%	4.3	4.2	4.2	4.1	4.1	-5%
TDRs	1.7	-9%	1.6	1.6	1.6	1.6	1.6	-7%	1.5	1.5	1.5	1.5	1.5	-6%	1.4	1.4	1.4	1.4	1.4	-5%
NPLs	**4.00**	-9%	**3.34**	**3.42**	**3.22**	**6.11**	**6.11**	53%	**6.04**	**5.96**	**5.88**	**5.81**	**5.81**	-5%	**5.74**	**5.67**	**5.60**	**5.53**	**5.53**	-5%
NPLs / Loans (%)	**0.53%**	-12%	**0.44%**	**0.40%**	**0.37%**	**0.69%**	**0.69%**	29%	**0.68%**	**0.67%**	**0.66%**	**0.65%**	**0.65%**	-5%	**0.64%**	**0.63%**	**0.61%**	**0.59%**	**0.59%**	-10%
OREO	1.4	-3%	1.5	1.4	1.3	1.2	1.2	-15%	1.1	1.0	1.0	1.0	1.0	-17%	1.0	0.9	0.9	0.9	0.9	-10%
NPAs	**5.41**	-7%	**4.82**	**4.87**	**4.54**	**7.31**	**7.31**	35%	**7.11**	**7.01**	**6.91**	**6.81**	**6.81**	-7%	**6.71**	**6.62**	**6.52**	**6.43**	**6.43**	-6%
NPAs / Loans + OREO (%)	**0.72%**	-11%	**0.63%**	**0.57%**	**0.51%**	**0.82%**	**0.82%**	14%	**0.80%**	**0.78%**	**0.77%**	**0.76%**	**0.76%**	-7%	**0.75%**	**0.73%**	**0.70%**	**0.68%**	**0.68%**	-11%
90-days past due	0.0	-100%	0.2	0.0	0.3	1.3	1.3	NA	0.0	0.0	0.0	0.0	0.0	-100%	0.0	0.0	0.0	0.0	0.0	NA
NPAs + 90 DPD	**5.41**	-8%	**4.99**	**4.87**	**4.87**	**8.57**	**8.57**	59%	**7.11**	**7.01**	**6.91**	**6.81**	**6.81**	-21%	**6.71**	**6.62**	**6.52**	**6.43**	**6.43**	-6%
NPAs + 90 DPD / Loans + OREO (%)	**0.72%**	-11%	**0.65%**	**0.57%**	**0.55%**	**0.96%**	**0.96%**	33%	**0.80%**	**0.78%**	**0.77%**	**0.76%**	**0.76%**	-21%	**0.75%**	**0.73%**	**0.70%**	**0.68%**	**0.68%**	-11%
Past Dues	0.476	-74%	0.7	0.3	0.6	0.7	0.7	40%	0.7	0.7	0.7	0.7	0.7	0%	0.7	0.7	0.7	0.7	0.7	0%
Total NPAs + Past Dues	5.9	-24%	5.7	5.2	5.5	9.2	9.2	57%	7.8	7.7	7.6	7.5	7.5	-19%	7.4	7.3	7.2	7.1	7.1	-5%
As a % of Loans + OREO	0.79%	-26%	0.74%	0.61%	0.62%	1.04%	1.04%	32%	0.87%	0.86%	0.84%	0.84%	0.84%	-19%	0.83%	0.81%	0.78%	0.75%	0.76%	-10%
Classified Loans	4.7	8%	4.5	5.3	5.1	8.0	8.0	71%	7.8	7.6	7.4	7.2	7.2	-10%	7.1	6.9	6.7	6.5	6.5	-10%
Criticized Loans	9.6	-17%	8.4	8.1	10.1	15.8	15.8	64%	15.4	15.0	14.6	14.3	14.3	-10%	13.9	13.6	13.2	12.9	12.9	-10%
Classified / Loans (%)	0.63%	5%	0.59%	0.62%	0.58%	0.90%	0.90%	44%	0.87%	0.85%	0.83%	0.81%	0.81%	-10%	0.79%	0.76%	0.72%	0.70%	0.70%	-14%
LLR / NPLs	166%	16%	230%	261%	314%	170%	170%	3%	175%	177%	180%	184%	184%	8%	185%	188%	191%	190%	190%	4%
LLR / NPAs (ex. TDRs)			239%	275%	341%	180%			189%	191%	195%	199%			202%	206%	209%	209%		
LLR / NPAs	123%	15%	154%	184%	208%	121%	121%	-1%	149%	150%	154%	157%	157%	29%	159%	161%	164%	164%	164%	4%

IMPORTANT RESEARCH DISCLOSURES



Notes: The boxes on the Rating and Price Target History chart above indicate the date of the fundamental Equity Research Note, the rating and the price target. Each box represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first Note written during the past three years.

Legend:
I: Initiating Coverage
R: Resuming Coverage
T: Transferring Coverage
D: Discontinuing Coverage
S: Suspending Coverage
OW: Overweight
N: Neutral
UW: Underweight
NA: Not Available
UR: Under Review

Distribution of Ratings/IB Services
Piper Sandler

Rating	Count	Percent	IB Serv./Past 12 Mos. Count	IB Serv./Past 12 Mos. Percent
BUY [OW]	**583**	**63.58**	**212**	**36.36**
HOLD [N]	**327**	**35.66**	**63**	**19.27**
SELL [UW]	**7**	**0.76**	**0**	**0.00**

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Neutral (N): Anticipated to perform in line relative to the median of the group of stocks covered by the analyst.

Underweight (UW): Anticipated to underperform relative to the median of the group of stocks covered by the analyst.

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