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COMPANY NOTE
22 July 2020

First Community Corporation (FCCO) — Neutral

Solid 2Q and Encouraging Credit Trends, but Economic Uncertainty an Overhang

CONCLUSION

Reported EPS: $0.30 | Core: $0.30 | Consensus: $0.19 | PSC: $0.19

FCCO Reports Solid 2Q20 Results - FCCO reported a solid beat to expectations as the LLR build was lower than expected and NCOs remained at 0 bps in the qtr. Additionally, the bank was able to grow loans by 10.7% LQA, ex PPP, which is a notable outperformance relative to peers. This loan growth and overall AEA growth led NII higher even in spite of a lower NIM - down 17 bps to 3.38%. While we see this as a solid qtr, we are still somewhat weary on the 1.16% LLR - even as deferred loans have declined from ~27% of loans to 14.4% of loans and second deferrals are minimal to date. We are maintaining our Neutral rating as we wait to see a path to a better AEA mix and more clarity around eventual losses.

- **Updating Estimates -** We are increasing our 2020E to $1.19 (from $0.98) on the 2Q beat and expectations for NCOs to remain low through year-end. We are also increasing our 2021E to $1.04 (from $1.02) on higher PPP income and better mortgage; offset by rising expected NCOs. Our $15 PT remains ~1x TBVPS.

FCCO Quarterly Performance Summary

Per Share Data	2Q19	3Q19	4Q19	1Q20	2Q20E	2Q20A	Change versus Y/Y	Change versus Q/Q		EPS Δ PSC vs. Actual 2Q20	Q/Q % Δ 2Q20 PSC	Q/Q % Δ 2Q20 Actual	
EPS (Reported)	$0.37	$0.39	$0.36	$0.24	$0.19	$0.30	-18.9%	25.0%			-20.8%	25.0%	
EPS (Core)	**$0.36**	**$0.38**	**$0.37**	**$0.24**	**$0.19**	**$0.30**	**-16.7%**	**25.0%**			**-20.8%**	**25.0%**	
Book Value Per Share	$15.64	$16.03	$16.16	$16.70	$16.77	$17.47	11.7%	4.6%			0.4%	4.6%	
Tang. Bk. Value Per Share	**$13.46**	**$13.84**	**$13.99**	**$14.55**	**$14.62**	**$15.35**	**14.0%**	**5.5%**			**0.5%**	**5.5%**	
Avg Diluted Shares	**7.7**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**	**-3.0%**	**0.0%**		**0.00**	**0.0%**	**0.0%**	
Income Statement ($M)													
Revenues (Core)	**12.2**	**12.5**	**12.6**	**12.4**	**12.8**	**13.2**	**8.1%**	**6.5%**		**0.05**	**3.0%**	**6.5%**	
Net Interest Income	9.2	9.4	9.4	9.5	9.6	9.8	6.9%	3.7%		0.02	1.6%	3.7%	
Fee Revenue (Core)	3.0	3.1	3.2	2.9	3.1	3.4	11.9%	16.1%		0.03	7.5%	16.1%	
Expenses (Core)	**8.6**	**8.8**	**9.0**	**9.0**	**8.9**	**9.1**	**5.5%**	**1.0%**		**(0.02)**	**-0.7%**	**1.0%**	
OREO costs	0.0	0.0	0.0	0.0	0.0	0.0	100.0%	0.0%		(0.00)	0.0%	0.0%	
Operating Income	3.6	3.6	3.6	2.3	1.9	2.9	-20.6%	23.9%		0.10	-16.1%	23.9%	
Non-Core Items	0.2	0.1	(0.1)	0.0	-	-	NA	NA		-	NA	NA	
Provision	**0.0**	**0.0**	**-**	**1.1**	**1.9**	**1.3**	**12400.0%**	**15.7%**		**0.07**	**74.1%**	**15.7%**	
Net Chargeoffs	*0.0*	*(0.2)*	*(0.1)*	*0.0*	*0.3*	*0.0*	NA	0.0%			NA	*NA*	
Effective Tax Rate	*21.1%*	*20.6%*	*21.2%*	*19.6%*	*21.0%*	*19.4%*	(178)	(27)	bp	0.00			
Net Income (Reported)	2.9	2.9	2.7	1.8	1.4	2.2	-22.9%	24.0%			-22.3%	24.0%	
Net Income (Core)	**2.8**	**2.8**	**2.8**	**1.8**	**1.4**	**2.2**	**-19.3%**	**24.0%**			**-22.3%**	**24.0%**	
Profitability													
PTPP ROA	1.31%	1.30%	1.25%	1.16%	1.27%	1.30%	(1)	14	bp		11	14	bp
ROA	1.00%	1.01%	0.96%	0.61%	0.46%	0.70%	(30)	9	bp		(15)	9	bp
ROE	9.4%	9.6%	9.3%	5.8%	4.5%	7.0%	(239)	120	bp		(133)	120	bp
NIM	**3.67%**	**3.65%**	**3.56%**	**3.55%**	**3.49%**	**3.38%**	**(29)**	**(17)**	**bp**		**(6)**	**(17)**	**bp**
Efficiency Ratio	**70.6%**	**70.7%**	**71.3%**	**72.8%**	**70.2%**	**69.0%**	**(161)**	**(379)**	**bp**		**(259)**	**(379)**	**bp**
Balance Sheet[1] ($M)													
Avg. Earning Assets	1,005	1,022	1,052	1,077	1,112	1,171	16.5%	34.9%			12.8%	34.9%	
Avg. HFI Loans	**729**	**740**	**748**	**754**	**747**	**793**	**8.8%**	**20.9%**			**-3.4%**	**20.9%**	
EOP HFI Loans	**727**	**735**	**737**	**750**	**745**	**770**	**5.9%**	**10.7%**			**-2.5%**	**10.7%**	
Avg. Securities	250	255	273	286	289	295	17.8%	12.0%			4.0%	12.0%	
Total Deposits	937	949	988	987	1,004	1,119	19.4%	53.6%			7.0%	53.6%	
Loan/Deposit Ratio	78.8%	78.9%	77.3%	77.7%	75.1%	74.8%	(404)	(294)	bp		(268)	-294	bp
TCE Ratio	9.20%	9.21%	9.02%	9.29%	9.00%	8.78%	(42)	(51)	bp		(29)	-51	bp
Credit Quality													
NPAs / Lns + OREO (%)	0.82%	0.74%	0.72%	0.63%	0.59%	0.57%	(25)	(6)	bp		(4)	(6)	bp
NPAs+90s / Lns & ORE	0.82%	0.75%	0.72%	0.65%	0.61%	0.57%	(25)	(8)	bp		(4)	(8)	bp
NCO/Avg Loans	0.00%	-0.09%	-0.04%	0.00%	0.14%	0.00%	-	-	bp		14	-	bp
LLR Release per share	(0.00)	(0.03)	(0.01)	(0.14)	(0.22)	(0.17)	(0.17)	(0.03)			(0.08)	(0.03)	
LLR / Loans (%)	0.88%	0.89%	0.90%	1.03%	1.25%	1.16%	28	13	bp		22	13	bp

[1] *Growth rates are annualized*
Source: Company Reports and PSC Estimates

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 $1.2B-in-asset bank based in the Columbia, SC. MSA.

YEAR	Mar	Jun	Sep	Dec	FY	FY P/E
	EARNINGS PER SHARE (US$)					
2019A	0.33	0.36	0.38	0.38	1.44	9.6x
2020E	0.24A	0.30A	0.34	0.31	1.19	11.6x
2021E	0.22	0.27	0.28	0.27	1.04	13.3x

PRICE: US$13.84
TARGET: US$15.00
~1x TBVPS, which implies 14.5x our 2021E EPS

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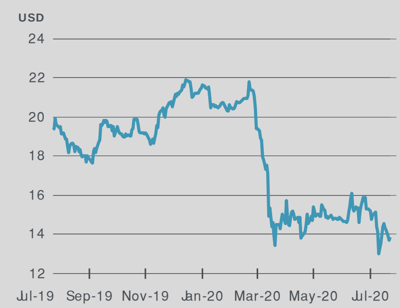
Changes	Previous	Current
Rating	—	Neutral
Price Tgt	—	US$15.00
FY20E EPS	US$0.98	US$1.19
FY21E EPS	US$1.02	US$1.04

Market Cap. (mil)	US$103.2
Book Value/Share	US$17.47
Tang. Book/Share	$15.35
Price/Book	79%
Price/Tang.Book	90%
52-Week High / Low	US$22.00 / US$12.51
Avg Daily Vol (000)	31
Div Yield	3.47%
Total Assets ($mil)	1,325
Shares Out (mil)	7.5
Div (ann)	US$0.48
Fiscal Year End	Dec

Price Performance - 1 Year



Source: Bloomberg

NIM, ex PPP, Should Stabilize From Here

The reported NIM was 3.38% in 2Q20, down 17 bps q/q, but we think that future compression will be minimal through 2021. There will be some upward spikes as the PPP loans are forgiven, but we think that the GAAP NIM can remain in the mid/high- 3.30%'s otherwise. That said, the bank does not have much room to take deposit costs lower from here - at 28 bps today; whereas loan and securities yields will steadily move lower over time.

Loan Growth of 10.7% Ex PPP a Surprising Strength

While most banks we have seen report so far this qtr have seen loans shrink ex PPP, FCCO still saw 10.7% LQA growth in 2Q20. Production was near the highest it has been in years and the bank also benefited from a slowdown in paydown activity. The largest driver of the $19M+ q/q net growth was $13M in O.O. CRE. We do not expect growth through year-end to remain this strong, but the bank does believe that it will be able to continue to deliver some net growth. We are modeling for low-single digit in 2H20.

Credit Metrics Remain Promising and Deferrals Have Declined Rapidly

FCCO reported 0 bps of NCOs in the qtr and NPAs remain only 57 bps of loans, including TDRs. FCCO is not required to comply with CECL, but its 1.16% LLR (ex PPP) actually appears to be higher than most of its smaller bank peers. That said, we do not expect to have real visibility into loss content until 4Q20 or 1Q21, and thus, we think that a continued build of the LLR is likely. Still, our belief is that over time FCCO will be proved to be well-reserved, and we are highly encouraged by the fact that deferrals have declined from 26.9% of loans at the peak to only 14.4% ($100.6M) at 7/16/20. Management seemed confident in its borrowers' desire and ability to resuming paying its loans in the near-term. Finally, we do think that FCCO has an advantage in terms of the complexion of its credit exposure - with small business owners having a much more vested interest in preserving their businesses/buildings at all costs. We hope to get some more clarity and confirmation around our beliefs in the FCCO credit book by year-end as we think this could be an attractive investment opportunity at that time.

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First Community Corporation

($'s in millions, except per share amounts)

Updated 7/22/2020

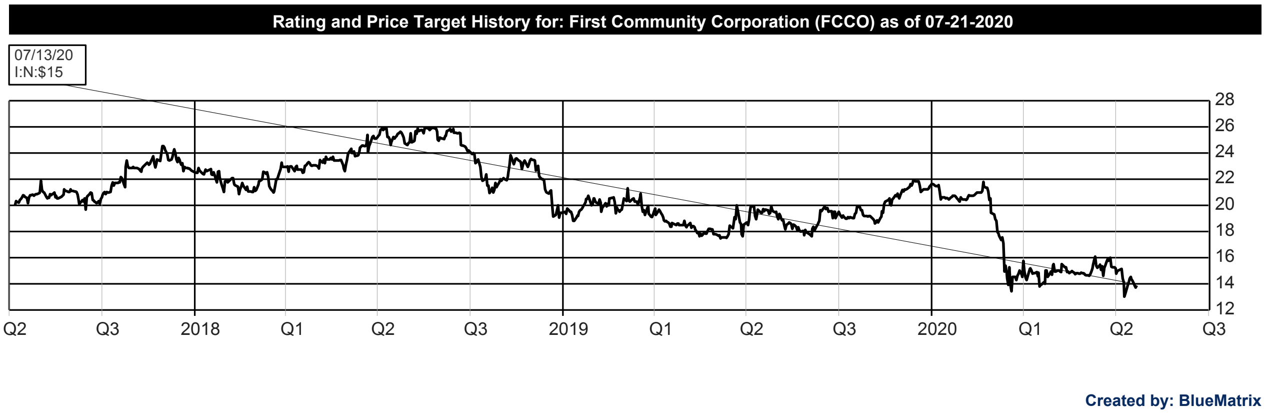
FCCO	2018	%Δ	1Q19	2Q19	3Q19	4Q19	2019	%Δ	1Q20	2Q20	3Q20E	4Q20E	2020E	%Δ	1Q21E	2Q21E	3Q21E	4Q21E	2021E	%Δ
	$ 1.49		$ 0.33	$ 0.36	$ 0.38	$ 0.37	$ 1.44		$ 0.24	$ 0.30	$ 0.34	$ 0.31	$ 1.19		$ 0.22	$ 0.27	$ 0.28	$ 0.27	$ 1.04	
Income Statement																				
Net Interest Income	35.75	22%	9.02	9.12	9.35	9.36	36.85	3%	9.42	9.74	10.04	9.85	39.05	6%	9.37	9.38	9.50	9.53	37.77	-3%
FTE adjustment	0.46	-46%	0.11	0.10	0.08	0.08	0.36	-22%	0.08	0.10	0.10	0.10	0.38	7%	0.10	0.10	0.10	0.10	0.40	5%
Net Interest Income (FTE)	**36.21**	**20%**	**9.13**	**9.21**	**9.43**	**9.44**	**37.21**	**3%**	**9.50**	**9.85**	**10.14**	**9.95**	**39.43**	**6%**	**9.47**	**9.48**	**9.61**	**9.63**	**38.18**	**-3%**
Loan Loss Provision	0.35	-35%	0.11	0.01	0.03	0.00	0.14	-60%	1.08	1.25	1.02	0.76	4.11	2860%	0.84	0.82	0.75	0.54	2.95	-28%
Net Income After LLP	**35.87**	**21%**	**9.03**	**9.20**	**9.40**	**9.44**	**37.07**	**3%**	**8.42**	**8.60**	**9.12**	**9.18**	**35.32**	**-5%**	**8.63**	**8.66**	**8.86**	**9.09**	**35.23**	**0%**
Operating Revenue	**47.17**	**19%**	**11.67**	**12.24**	**12.54**	**12.65**	**49.09**	**4%**	**12.42**	**13.23**	**13.40**	**13.13**	**52.17**	**6%**	**12.56**	**12.97**	**13.09**	**12.89**	**51.51**	**-1%**
Deposit Service Charges	1.77	19%	0.41	0.38	0.42	0.44	1.65	-7%	0.40	0.21	0.26	0.31	1.18	-28%	0.34	0.34	0.38	0.37	1.44	22%
Mortgage Banking Income	3.90	3%	0.84	1.24	1.25	1.22	4.56	17%	0.98	1.57	1.35	1.18	5.08	12%	1.05	1.40	1.30	1.05	4.80	-6%
Wealth Management	1.68	30%	0.44	0.49	0.51	0.59	2.02	20%	0.63	0.67	0.70	0.72	2.73	35%	0.68	0.74	0.77	0.77	2.96	9%
Other income	3.62	25%	0.85	0.92	0.93	0.97	3.66	1%	0.91	0.93	0.93	0.97	3.75	2%	1.02	1.01	1.04	1.07	4.14	10%
Core Fee Income	**10.96**	**16%**	**2.54**	**3.03**	**3.11**	**3.21**	**11.89**	**8%**	**2.92**	**3.4**	**3.3**	**3.2**	**12.74**	**7%**	**3.1**	**3.5**	**3.5**	**3.3**	**13.33**	**5%**
Securities gains	-0.34	-186%	-0.03	0.16	0.00	0.00	0.14	-140%	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	0.02	-111%	0.00	0.00	0.00	-0.28	-0.29	-1288%	0.01	0.00	0.00	0.00	0.01	-102%	0.00	0.00	0.00	0.00	0.00	-100%
Total Fee Income	**10.64**	**10%**	**2.51**	**3.19**	**3.11**	**2.93**	**11.74**	**10%**	**2.93**	**3.39**	**3.25**	**3.18**	**12.75**	**9%**	**3.09**	**3.49**	**3.49**	**3.26**	**13.33**	**5%**
Salaries and employee benefits	19.52	15%	5.17	5.21	5.47	5.42	21.26	9%	5.65	5.84	5.72	5.78	23.00	8%	5.92	5.90	5.98	6.04	23.85	4%
Occupancy and Equipment	3.89	-1%	1.04	1.04	1.07	1.04	4.19	8%	0.96	0.98	1.00	1.01	3.94	-6%	1.03	1.05	1.07	1.08	4.23	7%
Marketing	0.92	2%	0.18	0.43	0.16	0.35	1.12	21%	0.35	0.25	0.30	0.34	1.24	11%	0.34	0.29	0.35	0.35	1.33	7%
FDIC	0.38	20%	0.07	0.07	0.07	0.07	0.29	-23%	0.04	0.09	0.09	0.09	0.31	7%	0.09	0.09	0.09	0.09	0.35	15%
CDI Amortization	0.56	64%	0.13	0.13	0.13	0.13	0.52	-7%	0.11	0.10	0.11	0.11	0.42	-20%	0.11	0.11	0.12	0.12	0.46	10%
Other Non-Interest Expense	6.76	20%	1.70	1.74	1.94	2.00	7.39	9%	1.89	1.84	1.88	1.93	7.54	2%	1.98	2.02	2.03	2.08	8.09	7%
Non credit expense	**32.03**	**14%**	**8.29**	**8.62**	**8.84**	**9.01**	**34.77**	**9%**	**9.00**	**9.09**	**9.09**	**9.25**	**36.44**	**5%**	**9.47**	**9.46**	**9.63**	**9.75**	**38.31**	**5%**
OREO costs	0.10	133%	0.03	0.02	0.03	0.00	0.08	-17%	0.04	0.04	0.04	0.04	0.16	91%	0.04	0.04	0.04	0.04	0.16	3%
Core Non-interest Expense	**32.12**	**14%**	**8.32**	**8.64**	**8.87**	**9.01**	**34.85**	**8%**	**9.04**	**9.13**	**9.13**	**9.29**	**36.60**	**5%**	**9.51**	**9.50**	**9.67**	**9.79**	**38.47**	**5%**
Non-recurring expense	0.00	-100%	0.00	0.00	-0.08	-0.15	-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
Total Non-interest Expense	**32.12**	**9%**	**8.32**	**8.64**	**8.79**	**8.86**	**34.62**	**8%**	**9.04**	**9.13**	**9.13**	**9.29**	**36.60**	**6%**	**9.51**	**9.50**	**9.67**	**9.79**	**38.47**	**5%**
Efficiency Ratio	**68.1%**		**71.3%**	**70.6%**	**70.7%**	**71.3%**	**71.0%**		**72.8%**	**69.0%**	**68.2%**	**70.8%**	**70.1%**		**75.7%**	**73.2%**	**73.8%**	**75.9%**	**74.7%**	
Expense / Average Assets	2.97%		3.09%	3.13%	3.13%	3.10%	3.12%		3.08%	2.89%	2.74%	2.82%	2.87%		2.99%	2.98%	3.00%	3.01%	2.99%	
Net non-recurring items	**-0.3**	**-70%**	**0.0**	**0.2**	**0.1**	**-0.1**	**0.1**	**-125%**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-93%**	**0.0**	**0.0**	**0.0**	**0.0**	**0.00**	**-100%**
Pre-tax, pre-provision income	15.05	30%	3.3	3.6	3.7	3.6	14.25	-5%	3.38	4.10	4.26	3.83	15.57	9%	3.05	3.47	3.43	3.10	13.04	-16%
Pre-tax, pre-credit costs income	15.15	30%	3.4	3.6	3.7	3.6	14.33	-5%	3.41	4.14	4.30	3.87	15.73	10%	3.09	3.51	3.47	3.14	13.20	-16%
Operating Income	14.71	33%	3.2	3.6	3.6	3.6	14.11	-4%	2.30	2.85	3.24	3.07	11.46	-19%	2.21	2.65	2.68	2.56	10.10	-12%
Pretax Income	13.92	52%	3.1	3.7	3.7	3.4	13.83	-1%	2.23	2.75	3.13	2.97	11.08	-20%	2.11	2.55	2.58	2.46	9.69	-13%
Total Tax Expense	**2.69**	**-19%**	**0.61**	**0.77**	**0.75**	**0.73**	**2.86**	**6%**	**0.44**	**0.53**	**0.63**	**0.62**	**2.22**	**-22%**	**0.44**	**0.54**	**0.55**	**0.53**	**2.05**	**-8%**
Effective Tax Rate	19.3%	-47%	19.5%	21.1%	20.6%	21.2%	20.7%	7%	19.6%	19.4%	20.0%	21.0%	20.0%	-3%	20.7%	21.0%	21.2%	21.5%	21.1%	5%
Net Income before Extraordinary	11.23	127%	2.50	2.88	2.90	2.70	10.97	-2%	1.79	2.22	2.51	2.34	8.86	-19%	1.67	2.02	2.03	1.93	7.6	-14%
Extraordinary Items	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	0.0	0.0	0.0	0.0	0.0	NA
Net Income	11.23	127%	2.50	2.88	2.90	2.70	10.97	-2%	1.79	2.22	2.51	2.34	8.86	-19%	1.67	2.02	2.03	1.93	7.65	-14%
Preferred Dividends (& accretion)	0.0	NA	0.0	0.0	0.0	0.0	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
Net Income to Common	**11.23**	**127%**	**2.50**	**2.88**	**2.90**	**2.70**	**10.97**	**-2%**	**1.79**	**2.22**	**2.51**	**2.34**	**8.86**	**-19%**	**1.67**	**2.02**	**2.03**	**1.93**	**7.65**	**-14%**
Core Net Income	**11.49**	**25%**	**2.52**	**2.75**	**2.84**	**2.80**	**10.91**	**-5%**	**1.79**	**2.22**	**2.51**	**2.34**	**8.86**	**-19%**	**1.67**	**2.02**	**2.03**	**1.93**	**7.65**	**-14%**
Per Share Information																				
Avg Diluted Shares (mil)	7.7	11%	7.7	7.7	7.5	7.5	7.6	-2%	7.5	7.5	7.5	7.5	7.5	-2%	7.4	7.4	7.3	7.3	7.3	-2%
EOP Shares	7.6	1%	7.7	7.5	7.4	7.4	7.4	-3%	7.5	7.5	7.5	7.5	7.5	1%	7.4	7.4	7.3	7.3	7.3	-3%
Est. (buyback) / issuance	0.1		0.0	-0.2	-0.1	0.0	-0.2		0.0	0.0	0.0	0.0	0.0		0.0	-0.1	-0.1	-0.1	-0.2	
Est. price/share	0.0		0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0		18.0	18.5	19.0	19.5	18.8	
Total $'s of Capital	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00		-$0.72	-$1.11	-$0.95	-$0.98	-$3.76	
Reported EPS	$ 1.45	105%	$ 0.32	$ 0.37	$ 0.39	$ 0.36	$ 1.45	-1%	$ 0.24	$ 0.30	$ 0.34	$ 0.31	$ 1.19	-18%	$ 0.22	$ 0.27	$ 0.28	$ 0.27	$ 1.04	-12%
Core EPS	$ 1.49	13%	$ 0.33	$ 0.36	$ 0.38	$ 0.37	$ 1.44	-3%	$ 0.24	$ 0.30	$ 0.34	$ 0.31	$ 1.19	-17%	$ 0.22	$ 0.27	$ 0.28	$ 0.27	$ 1.04	-12%
EPS growth rate (%)	12.8%		-57%	39%	25%	-6%	-3.3%		-144%	96%	52%	-26%	-17.4%		-113%	87%	6%	-17%	-12.2%	
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	$ 14.73	6%	$ 15.19	$ 15.64	$ 16.03	$ 16.16	$ 16.16	10%	$ 16.70	$ 17.47	$ 17.69	$ 17.88	$ 17.88	11%	$ 17.98	$ 18.13	$ 18.28	$ 18.42	$ 18.42	3%
Tangible Book Value per share	$ 12.55	8%	$ 13.04	$ 13.46	$ 13.84	$ 13.99	$ 13.99	11%	$ 14.55	$ 15.35	$ 15.56	$ 15.76	$ 15.76	13%	$ 15.85	$ 15.98	$ 16.12	$ 16.24	$ 16.24	3%
TBV Growth (%)	7.6%	NA	16%	13%	11%	4%	11.5%	NA	16%	22%	6%	5%	12.6%	NA	2%	3%	3%	3%	3.1%	NA
Dividend	$ 0.40	$ 0.08	$ 0.11	$ 0.11	$ 0.11	$ 0.12	$ 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%
Payout Ratio (%)	27%	-4%	34%	31%	29%	32%	31%	16%	50%	40%	36%	38%	40%	29%	53%	44%	43%	45%	46%	14%
Performance Ratios																				
Return on Average Assets	1.07%	9%	0.94%	1.00%	1.01%	0.96%	0.98%	-8%	0.61%	0.70%	0.75%	0.71%	0.70%	-29%	0.53%	0.63%	0.63%	0.60%	0.60%	-14%
Return on Average Common Equity	10.72%	3%	8.98%	9.42%	9.60%	9.28%	9.33%	-13%	5.83%	7.03%	7.58%	7.01%	6.88%	-26%	5.09%	6.07%	6.04%	5.74%	5.74%	-17%
Return on Tangible Common Equity	11.98%	15%	10.22%	10.93%	10.98%	10.66%	10.48%	-13%	6.63%	7.76%	8.56%	7.90%	7.51%	-28%	5.74%	6.85%	6.81%	6.47%	6.46%	-14%
PTPP Income	15.1	30%	3.3	3.6	3.7	3.6	14.2	-5%	3.4	4.1	4.3	3.8	15.6	9%	3.0	3.5	3.4	3.1	13.0	-16%
PTPP ROA	1.40%	13%	1.25%	1.31%	1.30%	1.25%	1.28%	-9%	1.16%	1.30%	1.28%	1.17%	1.23%	-4%	0.96%	1.09%	1.06%	0.96%	1.02%	-17%
Net Interest Margin, FTE	3.69%	5%	3.73%	3.67%	3.65%	3.56%	3.65%	-1%	3.55%	3.38%	3.46%	3.46%	3.46%	-5%	3.39%	3.39%	3.39%	3.38%	3.39%	-2%
Avg Earning Asset Yield	4.09%	7%	4.28%	4.27%	4.24%	4.09%	4.22%	3%	4.03%	3.70%	3.76%	3.74%	3.81%	-10%	3.67%	3.66%	3.66%	3.64%	3.66%	-4%
Cost of Interest Bearing Liabilities	0.55%	29%	0.76%	**0.84%**	0.83%	0.77%	0.80%	44%	0.69%	0.47%	0.42%	0.40%	0.50%	-38%	0.40%	0.40%	0.39%	0.39%	0.39%	-21%
Fee Income / Operating Revenue	23.2%	-2%	21.7%	24.7%	24.8%	25.4%	24.2%	4%	23.5%	25.6%	24.3%	24.2%	24.4%	1%	24.6%	26.9%	26.6%	25.3%	25.9%	6%
Fee Income / Average Assets	1.02%		0.94%	1.10%	1.10%	1.11%	1.07%		1.00%	1.07%	0.98%	0.97%	1.00%		0.98%	1.10%	1.08%	1.01%	1.04%	
Effective Tax Rate (FTE)	19.3%	-47%	19.5%	21.1%	20.6%	21.2%	20.7%	7%	19.6%	19.4%	20.0%	21.0%	20.0%	-3%	20.7%	21.0%	21.2%	21.5%	21.1%	5%
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	18.8%		6.2%	2.6%	6.2%	4.3%	7.1%		3.0%	21.0%	-9.6%	-2.0%	5.1%		3.0%	6.0%	5.0%	3.0%	2.6%	
EOP HFI Loan Growth	11.1%		0.0%	4.6%	4.6%	1.1%	2.6%		6.8%	10.7%	4.5%	-2.0%	5.1%		3.0%	6.0%	5.0%	3.0%	4.3%	
Average Earning Assets	14.2%		-1%	5%	7%	12%	3.8%		10%	35%	-2%	-8%	11.9%		-4%	-4%	1%	2%	-1.1%	
Average Total Deposits	15.8%		-6.7%	6.8%	6.2%	12.2%	2.2%		0.8%	37.6%	22.6%	-4.5%	13.9%		-12.6%	-8.6%	0.5%	2.0%	-0.6%	
Total Assets	3.9%		2.2%	6.8%	5.0%	14.1%	7.2%		5.2%	47.3%	-0.1%	-10.4%	10.2%		-3.4%	-1.3%	2.8%	1.6%	-0.1%	
Net Interest Income (FTE)	19.7%		-16%	3%	9%	0%	2.8%		3%	15%	12%	-8%	6.0%		-20%	1%	5%	1%	-3.2%	
Non-interest Income	16.0%		-6%	77%	12%	12%	8.4%		-36%	64%	-16%	-9%	7.2%		-11%	51%	0%	-25%	4.7%	
Operating Revenues	18.8%		-14%	19%	10%	3%	4.1%		-7%	26%	5%	-8%	6.3%		-17%	13%	4%	-6%	-1.3%	
Non-interest Expense	9.4%		8%	15%	7%	3%	7.8%		8%	4%	0%	7%	5.7%		10%	-1%	7%	5%	5.1%	

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

stephen.scouten@psc.com
Updated 7/22/2020

FCCO	$ 1.49		$ 0.33	$ 0.36	$ 0.38	$ 0.37	$ 1.44		$ 0.24	$ 0.30	$ 0.34	$ 0.31	$ 1.19		$ 0.22	$ 0.27	$ 0.28	$ 0.27	$ 1.04	
	2018	%Δ	1Q19	2Q19	3Q19	4Q19	2019	%Δ	1Q20	2Q20	3Q20E	4Q20E	2020E	%Δ	1Q21E	2Q21E	3Q21E	4Q21E	2021E	%Δ
Balance Sheet Ratios																				
Loans / Deposits	75.00%	3%	79.68%	78.85%	78.86%	77.32%	78.66%	5%	77.75%	74.81%	69.08%	69.51%	72.59%	-8%	72.42%	75.13%	75.97%	76.16%	74.91%	3%
Avg Loans / Avg Earning Assets	69.95%	4%	72.88%	72.48%	72.41%	71.10%	72.20%	3%	69.96%	67.71%	66.34%	67.33%	67.80%	-6%	68.63%	70.34%	71.05%	71.20%	70.30%	4%
Avg. Earning Assets / Assets	91.13%	-1%	91.20%	91.12%	91.27%	91.39%	91.25%	0%	91.57%	92.27%	88.06%	87.49%	89.78%	-2%	88.18%	87.85%	87.88%	87.86%	87.94%	-2%
Securities / Avg Earning Assets	27.69%	-10%	25.36%	24.90%	24.93%	25.95%	25.29%	-9%	26.58%	25.18%	25.67%	26.25%	25.91%	2%	26.25%	26.37%	26.64%	26.57%	26.46%	2%
Avg. Equity / Avg Assets	9.95%	5%	10.45%	10.63%	10.47%	10.39%	10.48%	5%	10.50%	10.00%	9.94%	10.18%	10.14%	-3%	10.36%	10.43%	10.42%	10.37%	10.40%	2%
TCE (%)	**8.92%**	**4%**	**9.24%**	**9.20%**	**9.21%**	**9.02%**	**9.02%**	**1%**	**9.29%**	**8.78%**	**8.90%**	**9.26%**	**9.26%**	**3%**	**9.35%**	**9.38%**	**9.33%**	**9.30%**	**9.30%**	**0%**
Estimated Excess Capital (7% TCE tgt.)	$9.86	69%	$13.45	$13.14	$13.43	$11.74	$11.74	19%	$15.06	$10.17	$11.82	$16.05	$16.05	37%	$16.99	$17.36	$16.84	$16.52	$16.52	3%
Tier 1 Leverage Ratio	9.98%		10.19%	10.19%	10.38%	9.97%	9.97%		9.91%	9.31%										
Tier 1 Risk-Based Capital Ratio	13.19%		13.30%	13.47%	13.79%	13.47%	13.47%		13.35%	13.02%										
Total Capital Ratio	13.96%		14.07%	14.24%	14.58%	14.26%	14.26%		14.25%	14.03%										
Tier 1 Common Ratio	13.19%		13.30%	13.47%	13.79%	13.47%	13.47%		13.35%	13.02%										
Credit Metrics																				
LLP / Loans	0.05%	-45%	0.06%	0.00%	0.01%	0.00%	0.02%	-63%	0.57%	0.61%	0.50%	0.38%	0.51%	2623%	0.43%	0.41%	0.37%	0.27%	0.37%	-28%
NCOs / Avg Loans	-0.02%	92%	0.01%	0.00%	-0.09%	-0.04%	-0.03%	74%	0.00%	0.00%	0.12%	0.30%	0.11%	-451%	0.44%	0.42%	0.35%	0.31%	0.38%	253%
Per share LLR Release	$ (0.06)	-93%	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.01)	$ (0.05)	-21%	$ (0.14)	$ (0.17)	$ (0.11)	$ (0.02)	$ (0.44)	817%	$ 0.00	$ 0.00	$ (0.01)	$ 0.01	$ 0.01	-102%
Reserve / Loans	0.87%	-3%	0.88%	0.88%	0.89%	0.90%	0.90%	3%	1.03%	1.16%	1.25%	1.28%	1.28%	42%	1.27%	1.25%	1.24%	1.22%	1.22%	-5%
NPAs / Loans + OREO	0.81%	-27%	0.84%	0.82%	0.74%	0.72%	0.72%	-11%	0.63%	0.57%	0.56%	0.57%	0.57%	-21%	0.56%	0.55%	0.53%	0.52%	0.52%	-8%
NPA Coverage	106.7%	32%	104%	105%	117%	123%	122.5%	15%	154%	184%	203%	210%	210.4%	72%	214%	217%	222%	223%	223.2%	6%
Average Balance Sheet																				
HFI Loans	$ 686	19%	$ 724	$ 729	$ 740	$ 748	$ 735	7%	$ 754	$ 793	$ 774	$ 770	$ 773	5%	$ 777	$ 789	$ 799	$ 805	$ 792	3%
HFS Loans	$ -	#DIV/0!	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	$ -	$ -	$ -	$ -	#DIV/0!	$ -	$ -	$ -	$ -	$ -	#DIV/0!
PPP Loans	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ 32	$ 43	$ 31	$ 26	NA	$ 15	$ 8	$ 4	$ 2	$ 7	-73%
Total Loans	$ 686	19%	$ 724	$ 729	$ 740	$ 748	$ 735	7%	$ 754	$ 825	$ 817	$ 801	$ 799	9%	$ 793	$ 796	$ 802	$ 807	$ 799	0%
Total Loans (ex. PPP)	$ 686	19%	$724	$729	$740	$748	$ 735	7%	$754	$793	$774	$770	$ 773	5%	$777	$789	$799	$805	$ 792	3%
Securities	$ 272	2%	$ 252	$ 250	$ 255	$ 273	$ 258	-5%	$ 286	$ 295	$ 299	$ 300	$ 295	15%	$ 297	$ 296	$ 299	$ 300	$ 298	1%
Other Earning Assets	$ 23	44%	$ 17	$ 26	$ 27	$ 31	$ 26	10%	$ 37	$ 51	$ 50	$ 43	$ 45	78%	$ 43	$ 29	$ 22	$ 23	$ 29	-35%
Earning Assets	$ 981	14%	$ 993	$ 1,005	$ 1,022	$ 1,052	$ 1,018	4%	$ 1,077	$ 1,171	$ 1,166	$ 1,144	$ 1,140	12%	$ 1,132	$ 1,122	$ 1,124	$ 1,130	$ 1,127	-1%
Non-int Assets	$ 95	22%	$ 96	$ 98	$ 98	$ 99	$ 98	2%	$ 99	$ 98	$ 158	$ 163	$ 130	33%	$ 152	$ 155	$ 155	$ 156	$ 155	19%
Assets	$ 1,077	15%	$ 1,089	$ 1,103	$ 1,120	$ 1,151	$ 1,116	4%	$ 1,176	$ 1,269	$ 1,325	$ 1,307	$ 1,269	14%	$ 1,284	$ 1,277	$ 1,279	$ 1,286	$ 1,282	1%
Non-interest Bearing Deposits	$ 243	22%	$ 247	$ 261	$ 267	$ 282	$ 264	8%	$ 282	$ 349	$ 363	$ 350	$ 336	27%	$ 342	$ 350	$ 368	$ 371	$ 358	6%
Interest Bearing Deposits	$ 672	14%	$ 662	$ 663	$ 672	$ 686	$ 671	0%	$ 688	$ 711	$ 757	$ 757	$ 728	9%	$ 731	$ 700	$ 683	$ 685	$ 700	-4%
Total Deposits	$ 915	16%	$ 909	$ 924	$ 939	$ 968	$ 935	2%	$ 969	$ 1,060	$ 1,120	$ 1,108	$ 1,064	14%	$ 1,073	$ 1,050	$ 1,051	$ 1,057	$ 1,058	-1%
PPP Borrowings	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA
Other Borrowings	$ 46	-10%	$ 57	$ 50	$ 52	$ 51	$ 52	14%	$ 70	$ 69	$ 58	$ 52	$ 62	19%	$ 63	$ 78	$ 79	$ 81	$ 75	21%
Interest Bearing Liabilities	$ 718	12%	$ 718	$ 713	$ 724	$ 737	$ 723	1%	$ 758	$ 780	$ 815	$ 809	$ 790	9%	$ 794	$ 778	$ 763	$ 766	$ 775	-2%
Other Liabilities	$ 8	12%	$ 10	$ 12	$ 12	$ 13	$ 12	45%	$ 13	$ 13	$ 15	$ 15	$ 14	17%	$ 15	$ 15	$ 15	$ 15	$ 15	10%
Total Liabilities	$ 969	14%	$ 976	$ 986	$ 1,003	$ 1,032	$ 999	3%	$ 1,053	$ 1,142	$ 1,193	$ 1,174	$ 1,141	14%	$ 1,151	$ 1,144	$ 1,146	$ 1,153	$ 1,148	1%
Average Preferred Equity	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA
Average Common Equity	$ 107	21%	$ 114	$ 117	$ 117	$ 120	$ 117	9%	$ 123	$ 127	$ 132	$ 133	$ 129	10%	$ 133	$ 133	$ 133	$ 133	$ 133	3%
Average Total Equity	$ 107	21%	$ 114	$ 117	$ 117	$ 120	$ 117	9%	$ 123	$ 127	$ 132	$ 133	$ 129	10%	$ 133	$ 133	$ 133	$ 133	$ 133	3%
EOP Balance Sheet																				
Cash and Equivalents	$ 32	5%	$ 38	$ 40	$ 33	$ 48	$ 48	48%	$ 49	$ 101	$ 100	$ 93	$ 93	94%	$ 82	$ 69	$ 62	$ 63	$ 63	-32%
HFI Loans	$ 718	11%	$ 718	$ 727	$ 735	$ 737	$ 737	3%	$ 750	$ 770	$ 778	$ 774	$ 774	5%	$ 780	$ 792	$ 802	$ 808	$ 808	4%
HFS Loans	$ 3	-37%	$ 7	$ 9	$ 11	$ 11	$ 11	246%	$ 12	$ 33	$ 34	$ 33	$ 33	196%	$ 31	$ 35	$ 35	$ 35	$ 35	5%
PPP Loans			$ -	$ -	$ -	$ -	$ -	NA	$ -	$ 48	$ 41	$ 21	$ 21	NA	$ 10	$ 5	$ 2	$ 2	$ 2	-90%
Total Loans	$ 722	11%	$ 726	$ 735	$ 746	$ 748	$ 748	4%	$ 761	$ 851	$ 853	$ 828	$ 828	11%	$ 821	$ 832	$ 839	$ 844	$ 844	2%
Total Loans (ex. PPP)	$ 722	11%	$ 726	$ 735	$ 746	$ 748	$ 748	4%	$ 761	$ 803	$ 812	$ 807	$ 807	8%	$ 811	$ 827	$ 837	$ 842	$ 842	4%
Securities and other investments	$ 256	-10%	$ 249	$ 252	$ 267	$ 289	$ 289	13%	$ 291	$ 298	$ 301	$ 302	$ 302	4%	$ 303	$ 302	$ 305	$ 306	$ 306	2%
Intangible Assets	$ 17	-3%	$ 17	$ 16	$ 16	$ 16	$ 16	-3%	$ 16	$ 16	$ 16	$ 16	$ 16	-1%	$ 16	$ 16	$ 16	$ 16	$ 16	0%
Other Real Estate Owned	$ 1.5	-25%	$ 1	$ 1	$ 1	$ 1	$ 1.4	-3%	$ 1	$ 1	$ 1	$ 1	$ 1.4	-2%	$ 1	$ 1	$ 1	$ 1	$ 1.2	-10%
Other Assets	$ 64	-2%	$ 67	$ 71	$ 66	$ 68	$ 68	7%	$ 66	$ 57	$ 62	$ 60	$ 60	-12%	$ 65	$ 65	$ 70	$ 68	$ 68	13%
Assets	$ 1,092	4%	$ 1,097	$ 1,116	$ 1,130	$ 1,170	$ 1,170	7%	$ 1,185	$ 1,325	$ 1,324	$ 1,290	$ 1,290	10%	$ 1,279	$ 1,275	$ 1,284	$ 1,289	$ 1,289	0%
Tangible Assets	$ 1,075	4%	$ 1,081	$ 1,100	$ 1,114	$ 1,154	$ 1,154	7%	$ 1,169	$ 1,309	$ 1,308	$ 1,274	$ 1,274	10%	$ 1,263	$ 1,259	$ 1,268	$ 1,273	$ 1,273	0%
Deposits	$ 926	4%	$ 920	$ 937	$ 949	$ 988	$ 988	7%	$ 987	$ 1,119	$ 1,122	$ 1,094	$ 1,094	11%	$ 1,053	$ 1,047	$ 1,055	$ 1,058	$ 1,058	-3%
PPP Borrowings	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA
Borrowings	$ 43	-11%	$ 49	$ 49	$ 50	$ 48	$ 48	12%	$ 61	$ 61	$ 56	$ 48	$ 48	-2%	$ 78	$ 79	$ 80	$ 82	$ 82	72%
Other liabilities	$ 10	25%	$ 12	$ 12	$ 13	$ 13	$ 13	29%	$ 13	$ 15	$ 15	$ 15	$ 15	8%	$ 15	$ 15	$ 15	$ 15	$ 15	0%
Liabilities	$ 979	4%	$ 981	$ 998	$ 1,011	$ 1,050	$ 1,050	7%	$ 1,061	$ 1,194	$ 1,192	$ 1,156	$ 1,156	10%	$ 1,145	$ 1,141	$ 1,150	$ 1,155	$ 1,155	0%
Preferred Equity	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA	$ -	$ -	$ -	$ -	$ -	NA
Common Equity	$ 112	6%	$ 116	$ 117	$ 119	$ 120	$ 120	7%	$ 125	$ 131	$ 132	$ 134	$ 134	11%	$ 134	$ 134	$ 134	$ 134	$ 134	0%
Total Equity	$ 112	6%	$ 116	$ 117	$ 119	$ 120	$ 120	7%	$ 125	$ 131	$ 132	$ 134	$ 134	11%	$ 134	$ 134	$ 134	$ 134	$ 134	0%
Tangible Equity	$ 96	8%	$ 100	$ 101	$ 103	$ 104	$ 104	9%	$ 109	$ 115	$ 117	$ 118	$ 118	13%	$ 118	$ 118	$ 118	$ 118	$ 118	0%
Tangible Common Equity	$ 96	8%	$ 100	$ 101	$ 103	$ 104	$ 104	9%	$ 109	$ 115	$ 117	$ 118	$ 118	13%	$ 118	$ 118	$ 118	$ 118	$ 118	0%
Credit Quality Ratios																				
Loan Loss Reserve	6.3	8%	6.4	6.4	6.6	6.6	6.6	6%	7.7	8.9	9.7	9.9	9.9	50%	9.9	9.9	9.9	9.9	9.9	-1%
LLR / Loans (%) ex PPP	0.87%	-3%	0.88%	0.88%	0.89%	0.90%	0.90%	3%	1.03%	1.16%	1.25%	1.28%	1.28%	42%	1.27%	1.25%	1.24%	1.22%	1.22%	-5%
Change in Reserve	0.5	-92%	0.1	0.0	0.2	0.1	0.4	-22%	1.1	1.2	0.8	0.2	3.3	802%	0.0	0.0	0.0	-0.1	-0.1	-102%
LLR Release per share	($0.06)	-93%	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.01)	($0.05)	-21%	$ (0.14)	$ (0.17)	$ (0.11)	$ (0.02)	($0.44)	817%	$ 0.00	$ 0.00	$ (0.01)	$ 0.01	$0.01	-102%
Net Charge Offs	-0.1	128%	0.0	0.0	-0.2	-0.1	-0.2	86%	0.0	0.0	0.2	0.6	0.8	-469%	0.8	0.8	0.7	0.6	3.0	262%
NCOs / Avg Loans (%) annualized	-0.02%	92%	0.01%	0.00%	-0.09%	-0.04%	-0.03%	74%	0.00%	0.00%	0.12%	0.30%	0.11%	-451%	0.44%	0.42%	0.35%	0.31%	0.38%	253%
Provision	0.3	-35%	0.1	0.0	0.0	0.0	0.1	-60%	1.1	1.3	1.0	0.8	4.1	2860%	0.8	0.8	0.7	0.5	2.9	-28%
Excess Provision	0.5	-20%	0.1	0.0	0.2	0.1	0.4	-22%	1.1	1.2	0.8	0.2	3.3	802%	0.0	0.0	0.0	-0.1	-0.1	-102%
LLP / Avg Loans	0.05%	-45%	0.06%	0.00%	0.01%	0.00%	0.02%	-63%	0.57%	0.61%	0.50%	0.38%	0.51%	2623%	0.43%	0.41%	0.37%	0.27%	0.37%	-28%
Nonaccrual Loans	2.5	-25%	2.6	2.7	2.3	2.3	2.3	-9%	1.7	1.8	1.8	1.8	1.8	-24%	1.7	1.7	1.7	1.7	1.7	-5%
TDRs	1.8	-3%	2.0	2.0	1.9	1.7	1.7	-9%	1.6	1.6	1.6	1.6	1.6	-6%	1.6	1.5	1.5	1.5	1.5	-5%
NPLs	**4.38**	**-17%**	**4.63**	**4.64**	**4.16**	**4.00**	**4.00**	**-9%**	**3.34**	**3.42**	**3.38**	**3.33**	**3.33**	**-17%**	**3.29**	**3.25**	**3.21**	**3.17**	**3.17**	-5%
NPLs / Loans (%)	**0.61%**	**-25%**	**0.64%**	**0.63%**	**0.56%**	**0.53%**	**0.53%**	-12%	**0.44%**	**0.40%**	**0.40%**	**0.40%**	**0.40%**	-25%	**0.40%**	**0.39%**	**0.38%**	**0.38%**	**0.38%**	-7%
OREO	1.5	-25%	1.5	1.4	1.4	1.4	1.4	-3%	1.5	1.4	1.4	1.4	1.4	-2%	1.3	1.3	1.3	1.2	1.2	-10%
NPAs	**5.84**	**-19%**	**6.09**	**6.06**	**5.57**	**5.41**	**5.41**	-7%	**4.82**	**4.87**	**4.79**	**4.71**	**4.71**	-13%	**4.64**	**4.56**	**4.49**	**4.41**	**4.41**	-6%
NPAs / Loans + OREO (%)	**0.81%**	**-27%**	**0.84%**	**0.82%**	**0.74%**	**0.72%**	**0.72%**	-11%	**0.63%**	**0.57%**	**0.56%**	**0.57%**	**0.57%**	-21%	**0.56%**	**0.55%**	**0.53%**	**0.52%**	**0.52%**	-8%
NPAs (ex TDRs)	4.01		4.10	4.10	3.69	3.74	3.74		3.22	3.26	3.20	3.14	3.14		3.08	3.03	2.97	2.92	2.92	
NPAs (ex TDRs) / Loans + OREO (%)	0.55%		0.56%	0.56%	0.49%	0.50%	0.50%		0.42%	0.38%	0.37%	0.38%	0.38%		0.37%	0.36%	0.35%	0.35%	0.35%	
90-days past due	0.0	NA	0.0	0.0	0.0	0.0	0.0	-100%	0.2	0.0	0.0	0.0	0.0	NA	0.0	0.0	0.0	0.0	0.0	NA
NPAs + 90 DPD	**5.87**	**-18%**	**6.11**	**6.06**	**5.60**	**5.41**	**5.41**	-8%	**4.99**	**4.87**	**4.79**	**4.71**	**4.71**	-13%	**4.64**	**4.56**	**4.49**	**4.41**	**4.41**	-6%
NPAs + 90 DPD / Loans + OREO (%)	**0.81%**	**-26%**	**0.84%**	**0.82%**	**0.75%**	**0.72%**	**0.72%**	-11%	**0.65%**	**0.57%**	**0.56%**	**0.57%**	**0.57%**	-21%	**0.56%**	**0.55%**	**0.53%**	**0.52%**	**0.52%**	-8%
Past Dues	1.8	-15%	1.3	1.2	3.2	0.5	0.5	-74%	0.7	0.7	0.7	0.7	0.7	41%	0.7	0.7	0.7	0.7	0.7	0%
Total NPAs + Past Dues	7.7	-18%	7.4	7.2	8.8	5.9	5.9	-24%	5.7	5.5	5.5	5.4	5.4	-9%	5.3	5.2	5.2	5.1	5.1	-6%
As a % of Loans + OREO	1.07%	-26%	1.02%	0.98%	1.18%	0.78%	0.79%	-26%	0.74%	0.65%	0.64%	0.65%	0.65%	-17%	0.65%	0.63%	0.61%	0.60%	0.60%	-7%
Classified Loans	4.3	-41%	5.3	5.3	4.7	4.7	4.7	8%	4.5	5.3	5.2	5.0	5.0	7%	4.9	4.8	4.7	4.6	4.6	-10%
Criticized Loans	11.6	-34%	11.2	11.0	10.0	9.6	9.6	-17%	8.4	8.1	7.9	7.7	7.7	-20%	7.6	7.4	7.2	7.0	7.0	-10%
Classified / Loans (%)	0.60%	-47%	0.73%	0.72%	0.62%	0.63%	0.63%	5%	0.59%	0.62%	0.61%	0.61%	0.61%	-3%	0.60%	0.58%	0.56%	0.54%	0.54%	-11%
LLR / NPLs	143%	30%	137%	137%	158%	166%	166%	16%	230%	261%	288%	297%	297%	79%	301%	304%	310%	311%	311%	5%
LLR / NPAs (ex. TDRs)			155%	155%	178%	177%			239%	275%	304%	316%			321%	327%	334%	338%		
LLR / NPAs	107%	32%	104%	105%	117%	123%	123%	15%	154%	184%	203%	210%	210%	72%	214%	217%	222%	223%	223%	6%

IMPORTANT RESEARCH DISCLOSURES



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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

			IB Serv./Past 12 Mos.	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY [OW]	**487**	**58.39**	**158**	**32.44**
HOLD [N]	**330**	**39.57**	**58**	**17.58**
SELL [UW]	**17**	**2.04**	**0**	**0.00**

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