elliott davis

South Carolina Bankers School
July 16, 2026

Understanding Bank Financial Statements

Lauren Nilan, CPA
Principal

1

Learning Objectives

- Better understand balance sheet and income statement components
- Connect balance sheet segments with income statement impacts
- Understand risks associated with each category
- Recognize important financial ratios & metrics
- Relate key financial concepts and data to planning and managing a bank
- Be prepared for Bank Sim in Year 3!

elliott davis

2

The Balance Sheet

Assets = Liabilities + Equity

elliott davis

3

Newton's Third Law of Motion

- Physics: Every action has an equal & opposite reaction
- Accounting: Every debit has an equal & opposite credit
  - Sum of debits will always equal the sum of credits
  - The balance sheet will always balance (Assets = Liabilities + Equity)

elliott davis

4

B01 -- Balance Sheet, as of 12/31/29 Start Bank

Bank S1

4 Qtr. Average	YTD Average		For Quarters Ending 12/31/29	09/30/29	06/30/29	03/31/29
		Assets				
34.9	34.9	Cash Items	38.162	35.842	33.729	31.740
2.2	2.2	Fed Funds Sold	0.000	0.000	0.000	8.611
73.4	73.4	Securities	64.843	75.386	76.109	77.392
552.5	552.5	Loans (Net)	624.280	564.919	531.880	488.791
179.8	179.8	Business	217.663	188.539	162.549	150.465
287.6	287.6	Real Estate	310.068	293.671	287.899	258.578
90.7	90.7	Consumer	102.856	88.415	86.805	84.686
0.0	0.0	Other	0.000	0.000	0.000	0.000
-5.6	-5.6	Loan Loss Reserve	-6.306	-5.706	-5.373	-4.937
15.5	15.5	Premises	15.462	15.458	15.454	15.451
32.2	32.2	Other Assets	34.386	32.899	31.534	29.966
710.6	710.6	Total Assets	777.133	724.503	688.706	651.952
		Liabilities and Equity				
623.6	623.6	Total Deposits	671.270	638.494	606.605	578.068
143.2	143.2	Checking Accounts	158.938	147.942	137.812	128.267
226.0	226.0	Savings Accounts	241.252	229.933	220.872	211.932
217.7	217.7	Retail Time Accounts	233.944	223.815	211.447	201.721
36.6	36.6	Corporate CDs	37.137	36.804	36.474	36.147
11.8	11.8	Borrowed Funds	29.221			
10.354	7.494	0.000				
0.0	0.0	Repurchase Agreements	0.000	0.000	0.000	0.000
11.8	11.8	Fed Funds Purchased	29.221	10.354	7.494	0.000
0.0	0.0	FHLB Borrowing	0.000	0.000	0.000	0.000
26.7	26.7	Other Liabilities	29.017	27.358	26.003	24.426
0.0	0.0	Subordinated Debentures	0.000	0.000	0.000	0.000
48.5	48.5	Owners Equity	47.625	48.297	48.603	49.458
710.6	710.6	Total Liab & Equity	777.133	724.503	688.706	651.952
		Ratios (%)				
1.78	1.78	Net Liquid Assets / Assets	-1.20	2.69	1.78	4.33
88.59	88.59	Loans / Deposits	93.00	88.48	87.68	84.56
94.12	94.12	Loans / Core Deposits	98.45	93.89	93.29	90.20
0.65	0.65	Non-Performing Loans / Loans	0.62	0.65	0.68	0.64
0.38	0.38	Charge-offs / Average Loans	0.38	0.42	0.42	0.29
88.39	88.39	Earning Asset / Total Assets	88.68	88.38	88.28	88.17
82.60	82.60	Core Deposits / Total Assets	81.60	83.05	82.78	83.12
79.69	79.69	Int Bear Liab / Total Assets	81.09	79.98	79.21	78.21
1.66	1.66	Borrowed Funds / Total Assets	3.76	1.43	1.09	0.00
24.26	24.26	Fed Funds Purch / Tot Capital	61.36	21.44	15.42	0.00
6.82	6.82	Owners Equity / Total Assets	6.13	6.67	7.06	7.59

Balance Sheet as of 12/31/29 Bank S1 === B01 === Page 2

elliott davis

5

Exhibit 1 - Bank Assets

Balance Sheet Information for SCBS Bank
Balances (In Thousands)

Assets	**Year Ended 12/31/20X2**	**% of Total Assets**
Cash Items	$ 38,162	4.91%
Fed Funds Sold	-	0.00%
Securities	64,843	8.34%
Loans (Net)		
Business	217,663	28.01%
Real Estate	310,068	39.90%
Consumer	102,855	13.24%
Other	-	0.00%
Loan Loss Reserve	(6,306)	-0.81%
Loans (Net)	624,280	80.33%
Premises	15,462	1.99%
Other Assets	34,386	4.42%
Total assets	**$ 777,133**	**100%**

elliott davis

6

Cash & Cash Equivalents

- Vault Cash
- Correspondent bank accounts
- Reserve cash (at Fed)
- Fed Funds sold
- Securities purchased under agreements to resell (Repos)

elliott davis

7

Yields on Earning Assets

	For the Years Ended December 31,					
	2025			2024		
(dollars in thousands)	Average Balance	Interest and Fees	Yield / Rate	Average Balance	Interest and Fees	Yield / Rate
Earning Assets:						
Cash and due from banks	$ 21,449	$ 484	2.26 %	$ 20,546	$ 534	2.60 %
Federal funds sold	66,287	2,901	4.38	69,490	3,751	5.40
Investment securities	338,498	15,534	4.59	352,681	16,046	4.55
Loans:						
Loans held for sale	167,670	13,308	7.94	123,310	10,272	8.33
Gross loans held for investment	1,511,831	95,486	6.32	1,418,022	93,046	6.56
Total earning assets	2,105,735	127,713	6.07	1,984,049	123,649	6.23
Noninterest-earning assets	100,807			103,204		
Total assets	$ 2,206,542			$ 2,087,253		

elliott davis

8

Bank Assets

Exhibit 1

Balance Sheet Information for SCBS Bank
Balances (In Thousands)

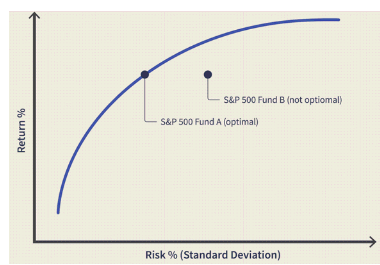
Assets	Year Ended 12/31/20X2	% of Total Assets
Cash Items	$ 38,162	4.91%
Fed Funds Sold	-	0.00%
Securities	64,843	8.34%
Loans (Net)		
Business	217,663	28.01%
Real Estate	310,068	39.90%
Consumer	102,855	13.24%
Other	-	0.00%
Loan Loss Reserve	(6,306)	-0.81%
Loans (Net)	624,280	80.33%
Premises	15,462	1.99%
Other Assets	34,386	4.42%
Total assets	**$ 777,133**	**100%**

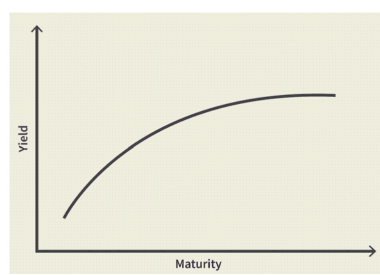
elliott davis

9

Investment Securities

- Primarily used for liquidity
- Better yield than cash equivalents
- Yield varies by risk:
  - Treasuries
  - Agencies (i.e. Fannie and Freddie MBS)
  - Municipals – favorable tax treatment
  - Other (i.e. FHLB stock)
- Yield varies by duration





elliott davis

10

Yields on Earning Assets

(dollars in thousands)	2025 Average Balance	2025 Interest and Fees	2025 Yield / Rate	2024 Average Balance	2024 Interest and Fees	2024 Yield / Rate
Earning Assets:						
Cash and due from banks	$ 21,449	$ 484	2.26 %	$ 20,546	$ 534	2.60 %
Federal funds sold	66,287	2,901	4.38	69,490	3,751	5.40
Investment securities	338,498	15,534	4.59	352,681	16,046	4.55
Loans:						
Loans held for sale	167,670	13,308	7.94	123,310	10,272	8.33
Gross loans held for investment	1,511,831	95,486	6.32	1,418,022	93,046	6.56
Total earning assets	2,105,735	127,713	6.07	1,984,049	123,649	6.23
Noninterest-earning assets	100,807			103,204		
Total assets	$ 2,206,542			$ 2,087,253		

For the Years Ended December 31,

elliott davis

11

Investment Yields by Duration

As of December 31, 2025

(dollars in thousands)	Due in One Year or Less Amortized Cost	Due in One Year or Less Weighted Average Yield	Due after One Year Through Five Years Amortized Cost	Due after One Year Through Five Years Weighted Average Yield	Due after Five Years Through Ten Years Amortized Cost	Due after Five Years Through Ten Years Weighted Average Yield	Due after Ten Years Amortized Cost	Due after Ten Years Weighted Average Yield
U.S. Treasuries	$ 4,997	0.98 %	$ 999	1.28 %	$ -	- %	$ -	- %
Municipal obligations	-	-	8,328	1.89	29,144	2.14	27,406	2.91
Mortgage-backed securities	892	3.12	28,893	2.98	13,138	3.99	145,586	3.50
Asset-backed securities	-	-	-	-	11,268	5.22	15,629	5.53
Corporate debt securities	-	-	16,196	7.34	39,840	6.24	3,043	5.58
Total available for sale securities	$ 5,889	1.30 %	$ 54,416	4.08 %	$ 93,390	4.53 %	$ 191,664	3.61 %

Increasing yield

elliott davis

12

Bank Assets

Balance Sheet Information for SCBS Bank
Balances (In Thousands)

Assets	**Year Ended 12/31/20X2**	**% of Total Assets**
Cash Items	$ 38,162	4.91%
Fed Funds Sold	-	0.00%
Securities	64,843	8.34%
Loans (Net)		
Business	217,663	28.01%
Real Estate	310,068	39.90%
Consumer	102,855	13.24%
Other	-	0.00%
Loan Loss Reserve	(6,306)	-0.81%
Loans (Net)	624,280	80.33%
Premises	15,462	1.99%
Other Assets	34,386	4.42%
Total assets	**$ 777,133**	**100%**

elliott davis

13

Loans

- Loan Types:
  - Business/ Commercial and Industrial Loans (C&I)
  - Real Estate Loans
    - Commercial (owner occupied and non-owner occupied) (300%)
    - Acquisition Development Construction (100%)
    - Consumer
  - Consumer Loans
  - Other Loans
- Allowance for Credit Losses (contra asset)

elliott davis

14

Yields on Earning Assets

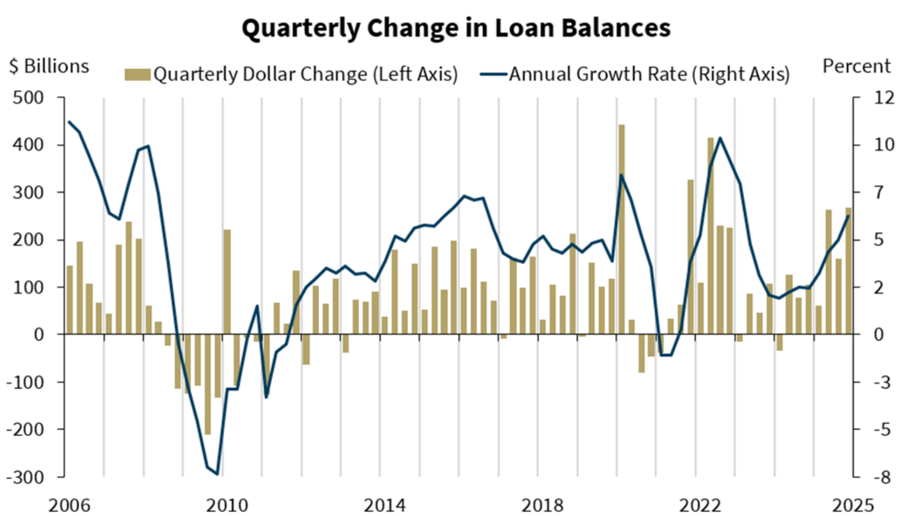
For the Years Ended December 31,

(dollars in thousands)	2025 Average Balance	2025 Interest and Fees	2025 Yield / Rate	2024 Average Balance	2024 Interest and Fees	2024 Yield / Rate
Earning Assets:						
Cash and due from banks	$ 21,449	$ 484	2.26 %	$ 20,546	$ 534	2.60 %
Federal funds sold	66,287	2,901	4.38	69,490	3,751	5.40
Investment securities	338,498	15,534	4.59	352,681	16,046	4.55
Loans:						
Loans held for sale	167,670	13,308	7.94	123,310	10,272	8.33
Gross loans held for investment	1,511,831	95,486	6.32	1,418,022	93,046	6.56
Total earning assets	2,105,735	127,713	6.07	1,984,049	123,649	6.23
Noninterest-earning assets	100,807			103,204		
Total assets	$ 2,206,542			$ 2,087,253		

elliott davis

15

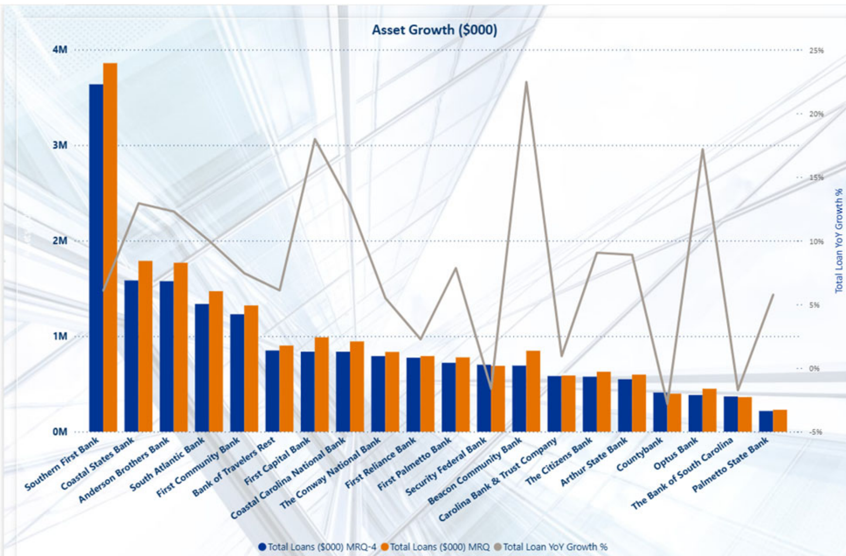
US Banks Loan Growth



Source: FDIC.

16

SC Banks Loan Growth



$1.01bn
12/31/2025
Avg. Loans

$933.01M
12/31/2024
Avg. Loans

$79.18K
Avg. Loan Growth ($)

8.49%
Avg. Loan Growth (%)

12/31/2025

17

SC Banks Loans to Assets Levels

Bank Name	City	Total Assets 12/31/2025	Total Loans 12/31/2025	Loans to Assets %
SECURITY FEDERAL BANK	AIKEN	1,551,930.00	686,584.00	44.24%
CITIZENS BANK, THE	OLANTA	1,103,926.00	627,898.00	56.88%
COASTAL STATES BANK	HILTON HEAD ISLAND	2,304,649.00	1,617,315.00	70.18%
BEACON COMMUNITY BANK	MOUNT PLEASANT	964,035.00	845,785.00	87.73%
COASTAL CAROLINA NATIONAL BANK	MYRTLE BEACH	1,277,669.00	944,842.00	73.95%
SOUTH ATLANTIC BANK	MYRTLE BEACH	1,916,599.00	1,463,421.00	76.36%
FIRST COMMUNITY BANK	LEXINGTON	2,057,446.00	1,311,019.00	63.72%
OPTUS BANK	COLUMBIA	777,905.00	449,885.00	57.83%
FIRST CAPITAL BANK	CHARLESTON	1,139,207.00	988,602.00	86.78%
SOUTHERN FIRST BANK	GREENVILLE	4,406,861.00	3,847,081.00	87.30%
FIRST RELIANCE BANK	FLORENCE	1,091,534.00	779,898.00	71.45%
BANK OF TRAVELERS REST	TRAVELERS REST	1,555,193.00	901,349.00	57.96%
ARTHUR STATE BANK	UNION	814,415.00	597,987.00	73.43%
FIRST PALMETTO BANK	CAMDEN	1,056,466.00	776,448.00	73.49%
CONWAY NATIONAL BANK, THE	CONWAY	1,948,354.00	835,422.00	42.88%
CAROLINA BANK & TRUST COMPANY	LAMAR	886,375.00	588,349.00	66.38%
BANK OF SOUTH CAROLINA, THE	CHARLESTON	576,238.00	361,060.00	62.66%
COUNTYBANK	GREENWOOD	729,554.00	387,762.00	53.15%
PALMETTO STATE BANK	HAMPTON	621,887.00	229,550.00	36.91%
ANDERSON BROTHERS BANK	MULLINS	2,207,970.00	1,767,794.00	80.06%

	Total Assets	Total Loans	Loans to Assets %
Minimum:	576,238.00	229,550.00	36.91%
Median:	1,121,566.50	807,660.00	68.28%
Average:	1,449,410.65	1,000,402.55	66.17%
Maximum:	4,406,861.00	3,847,081.00	87.73%

elliott davis

18

Yields on Earning Assets

(dollars in thousands)	2025 Average Balance	2025 Interest and Fees	2025 Yield / Rate	2024 Average Balance	2024 Interest and Fees	2024 Yield / Rate
Earning Assets:						
Cash and due from banks	$ 21,449	$ 484	2.26 %	$ 20,546	$ 534	2.60 %
Federal funds sold	66,287	2,901	4.38	69,490	3,751	5.40
Investment securities	338,498	15,534	4.59	352,681	16,046	4.55
Loans:						
Loans held for sale	167,670	13,308	7.94	123,310	10,272	8.33
Gross loans held for investment	1,511,831	95,486	6.32	1,418,022	93,046	6.56
Total earning assets	2,105,735	127,713	6.07	1,984,049	123,649	6.23
Noninterest-earning assets	100,807			103,204		
Total assets	$ 2,206,542			$ 2,087,253		

For the Years Ended December 31,

95% earning assets!

elliott davis

19

Bank Assets

Balance Sheet Information for SCBS Bank
Balances (In Thousands)

Assets	Year Ended 12/31/20X2	% of Total Assets
Cash Items	$ 38,162	4.91%
Fed Funds Sold	-	0.00%
Securities	64,843	8.34%
Loans (Net)		
Business	217,663	28.01%
Real Estate	310,068	39.90%
Consumer	102,855	13.24%
Other	-	0.00%
Loan Loss Reserve	(6,306)	-0.81%
Loans (Net)	624,280	80.33%
Premises	15,462	1.99%
Other Assets	34,386	4.42%
Total assets	**$ 777,133**	**100%**

elliott davis

20

Bank Liabilities & Equity

Liabilities & Equity		
Total deposits		
Checking Accounts	$ 158,938	20.45%
Savings Accounts	241,252	31.04%
Retail Time Accounts	233,943	30.10%
Corporate CDs	37,137	4.78%
Total deposits	671,270	86.38%
Borrowed Funds		
Repurchase Agreements	-	0.00%
Fed Funds Purchased	29,221	3.76%
FHLB Borrowings	-	0.00%
Other Liabilities	29,017	3.73%
Subordinated Debentures	0	0.00%
Total liabilities	729,508	93.87%
Owners Equity	47,625	6.13%
Total Liabilities & Equity	**$ 777,133**	**100%**

elliott davis

21

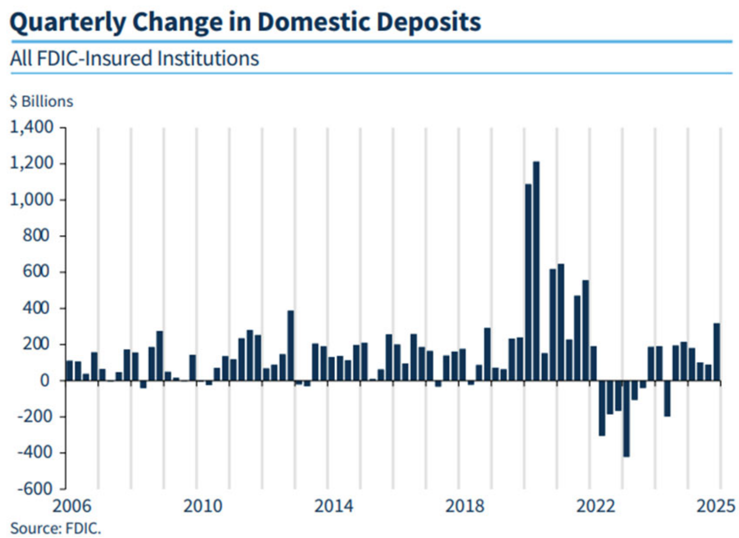
Deposits

- Transaction Accounts (Core Deposits)
  - Noninterest-bearing or demand deposits
  - Interest-bearing
- Savings & Money Market Deposit Accounts
- Time Deposits
  - Retail
  - Large or Jumbo (>$250,000)
  - Brokered deposits (Corporate CDs)
    - Must be well capitalized to access
  - CDARS & ICS via IntraFi Network

elliott davis

22

US Banks Deposit Trends



elliott davis

23

Cost of Deposits

(dollars in thousands)	2025 Average Balance	2025 Interest and Fees	2025 Yield / Rate	2024 Average Balance	2024 Interest and Fees	2024 Yield / Rate
	For the Years Ended December 31,					
Interest-bearing liabilities:						
Demand deposits	$ 199,395	$ 1,506	0.76 %	$ 179,495	$ 816	0.45 %
Money market deposits	593,291	18,500	3.12	598,621	22,349	3.73
Savings deposits	35,179	177	0.50	38,074	189	0.50
Time deposits	793,184	32,097	4.05	651,974	30,089	4.62
Total interest-bearing deposits	1,621,049	52,280	3.23	1,468,164	53,443	3.64
Borrowings	22,362	1,543	6.90	85,505	4,884	5.71
Total interest-bearing liabilities	$ 1,643,411	$ 53,823	3.28 %	$ 1,553,669	$ 58,327	3.75 %
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	$ 307,464			$ 323,949		

elliott davis

24

Core Deposits are KING!

- Stability
- Lower funding costs
- Relationship banking
- Cross-selling opportunities

elliott davis

25

Bank Liabilities & Equity

Liabilities & Equity		
Total deposits		
Checking Accounts	$ 158,938	20.45%
Savings Accounts	241,252	31.04%
Retail Time Accounts	233,943	30.10%
Corporate CDs	37,137	4.78%
Total deposits	671,270	86.38%
Borrowed Funds		
Repurchase Agreements	-	0.00%
Fed Funds Purchased	29,221	3.76%
FHLB Borrowings	-	0.00%
Other Liabilities	29,017	3.73%
Subordinated Debentures	0	0.00%
Total liabilities	729,508	93.87%
Owners Equity	47,625	6.13%
Total Liabilities & Equity	**$ 777,133**	**100%**

elliott davis

26

Other Liabilities

- Other Interest-Bearing Liabilities:
  - Federal Funds Purchased
  - Repurchase Agreements
  - Discount Window, other Federal Reserve Bank programs
  - Federal Home Loan Bank Advances
- Subordinated notes & debentures
  - Mezzanine Equity/ Tier 2 capital

elliott davis

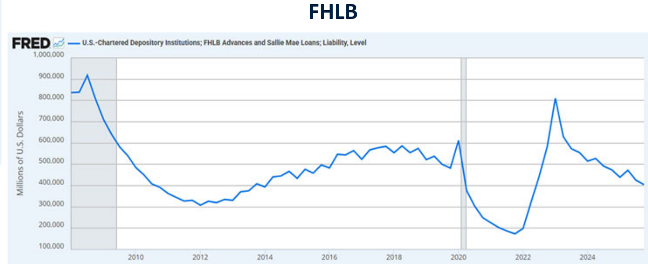
27

Other Borrowings

Federal Reserve (Discount Window)

Overnight → 90 days

FHLB



Overnight → 30 YEARS

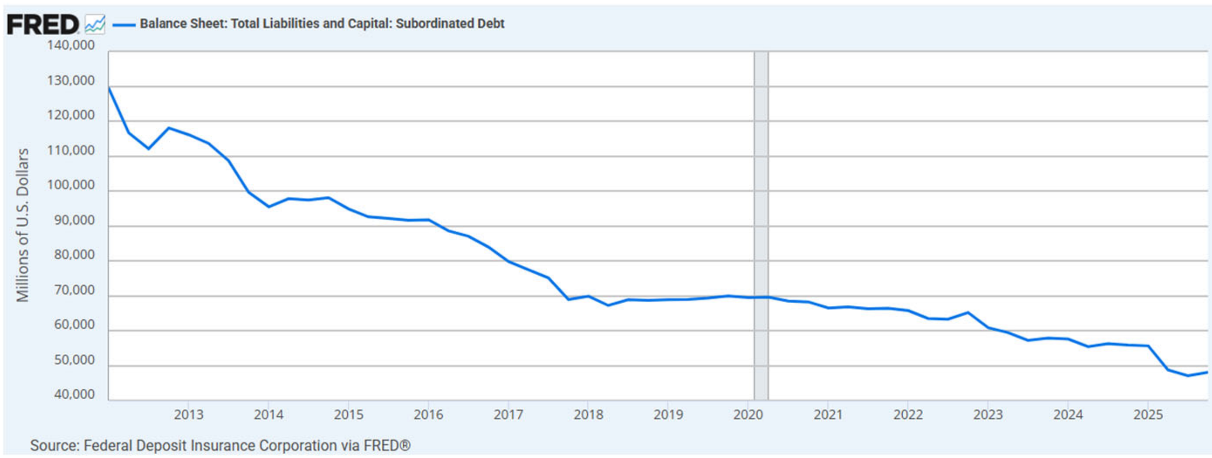
elliott davis

28

Subordinated Debt

Subordinated Debt

Term: (generally) 10 YRS, fixed rate for 5 YRS, callable after 5 YRS



elliott davis

29

Cost of Funds

	Three months ended March 31, 2024		
Liabilities	Average Balance	Interest Earned/Paid	Yield/ Rate
Interest-bearing liabilities			
Interest-bearing transaction accounts	$ 290,765	$ 678	0.94%
Money market accounts	407,177	3,385	3.34%
Savings deposits	116,379	114	0.39%
Time deposits	283,933	3,026	4.29%
Fed funds purchased	2	—	0.00%
Securities sold under agreements to repurchase	87,056	609	2.81%
FHLB Advances	83,736	1,059	5.09%
Other long-term debt	14,964	308	8.28%
Total interest-bearing liabilities	1,284,012	9,179	2.88%
Cost of deposits, including demand deposits			1.90%
Cost of funds, including demand deposits			2.16%
Net interest spread			2.02%
Net interest income/margin		$ 12,077	2.78%
Net interest income/margin (tax equivalent)		$ 12,117	2.79%

30

Cost of Funds

	Three months ended March 31, 2025		
	Average Balance	Interest Earned/Paid	Yield/ Rate
Liabilities			
Interest-bearing liabilities			
Interest-bearing transaction accounts	$ 331,897	$ 965	1.18%
Money market accounts	440,282	3,319	3.06%
Savings deposits	113,070	79	0.28%
Time deposits	333,615	3,246	3.95%
Fed funds purchased	2	—	0.00%
Securities sold under agreements to repurchase	130,779	814	2.52%
FHLB Advances	—	—	NA
Other long-term debt	14,964	269	7.29%
Total interest-bearing liabilities	1,364,609	8,692	2.58%
Demand deposits	450,554		
Cost of deposits, including demand deposits			1.85%
Cost of funds, including demand deposits			1.94%
Net interest spread			2.42%
Net interest income/margin		$ 14,390	3.12%
Net interest income/margin (tax equivalent)		$ 14,441	3.13%

Paid off! Saving $1MM in interest expense

Rate decreases in MMDAs and CDs

Lower cost of funds

elliott davis

31

Yields and Costs

(Dollars in thousands)	2024 Average Balance	2024 Income/ Expense	2024 Yield/ Rate	2023 Average Balance	2023 Income/ Expense	2023 Yield/ Rate	2022 Average Balance	2022 Income/ Expense	2022 Yield/ Rate
Assets									
Earning assets									
Loans[1]	$ 1,185,024	$ 66,431	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$ 39,234	4.26%
Non-Taxable Securities	48,761	1,420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,525	2.90%
Taxable Securities	442,278	16,084	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9,725	1.88%
Int Bearing Deposits in Other Banks	110,844	5,484	4.95%	42,859	2,191	5.11%	50,435	633	1.26%
Fed Funds Sold	63	3	4.76%	56	3	5.36%	15	—	0.00%
Total earning assets	$ 1,786,970	$ 89,422	5.00%	$ 1,632,111	$ 72,697	4.45%	$ 1,541,381	$ 51,117	3.32%
Liabilities									
Interest-bearing liabilities									
Interest-bearing transaction accounts	$ 311,101	$ 3,451	1.11%	$ 307,415	$ 1,760	0.57%	$ 336,115	$ 273	0.08%
Money market accounts	417,178	13,824	3.31%	361,994	9,721	2.69%	308,473	943	0.31%
Savings deposits	112,473	430	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	102	0.06%
Time deposits	309,509	13,468	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	531	0.36%
Fed Funds Purchased	12	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	53	3.54%
Securities Sold Under Agreements to Repurchase	77,158	2,183	2.83%	74,586	1,658	2.22%	74,805	227	0.30%
FHLB Advances	54,822	2,808	5.12%	86,614	4,345	5.02%	9,457	370	3.91%
Other Long-Term Debt	14,964	1,217	8.13%	14,964	1,187	7.93%	14,964	675	4.51%
Total interest-bearing liabilities	$ 1,297,217	$ 37,382	2.88%	$ 1,158,022	$ 23,805	2.06%	$ 1,049,048	$ 3,174	0.30%
Demand deposits	443,571			450,177			469,292		

51% increase in yield ☺

860% increase in cost ☹

32

Bank Liabilities & Equity

Liabilities & Equity		
Total deposits		
Checking Accounts	$ 158,938	20.45%
Savings Accounts	241,252	31.04%
Retail Time Accounts	233,943	30.10%
Corporate CDs	37,137	4.78%
Total deposits	671,270	86.38%
Borrowed Funds		
Repurchase Agreements	-	0.00%
Fed Funds Purchased	29,221	3.76%
FHLB Borrowings	-	0.00%
Other Liabilities	29,017	3.73%
Subordinated Debentures	0	0.00%
Total liabilities	729,508	93.87%
Owners Equity	47,625	6.13%
Total Liabilities & Equity	**$ 777,133**	**100%**

elliott davis

33

Equity

- Stockholders (or Shareholders Equity)
  - Common/Preferred Stock + Additional Paid In Capital (APIC)
  - Retained Earnings
  - Accumulated Other Comprehensive Income (Loss)

elliott davis

34

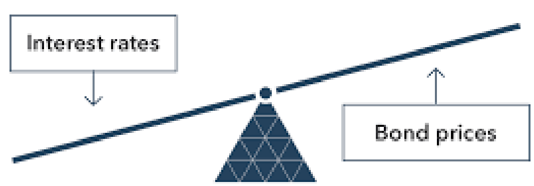
Equity Composition

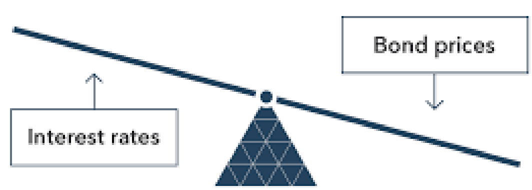
	Years Ended December 31,	
	2025	2024
Shareholders' Equity		
Preferred stock, $1.00 par value, 10,000,000 shares authorized, no shares issued or outstanding	—	—
Voting common stock, $1.00 par value, 50,000,000 shares authorized, 10,868,256 and 8,098,117 shares issued and outstanding at December 31, 2025 and 2024, respectively.	10,868	8,098
Nonvoting common stock, $1.00 par value, 10,000,000 shares authorized, 1,112,156 and 2,172,029 shares issued and outstanding at December 31, 2025 and 2024, respectively	1,112	2,172
Capital surplus	189,882	158,755
Retained earnings	66,886	41,994
Accumulated other comprehensive loss	(9,219)	(15,787)
Total shareholders' equity	259,529	195,232

elliott davis

35

Interest Rates/Bond Prices

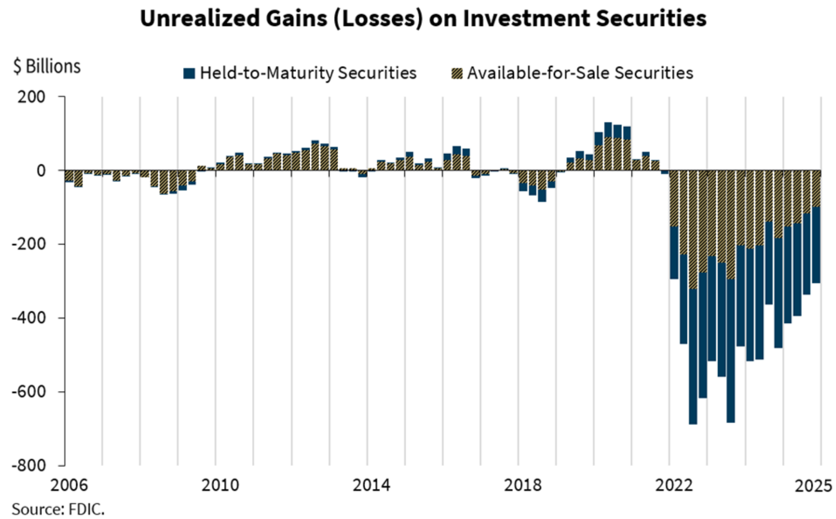




elliott davis

36

Unrealized Gains/Losses Trends



37

B02 -- Income Statement, as of 12/31/29
Start Bank
Bank S1

Last Four Quarters	Year to Date Quarters		For Quarters Ending 12/31/29	09/30/29	06/30/29	03/31/29
41.122	41.122	Interest Income	11.043	10.371	9.859	9.849
37.450	37.450	Loans	10.260	9.452	8.904	8.834
11.120	11.120	Business	3.468	2.865	2.395	2.392
18.606	18.606	Real Estate	4.930	4.784	4.566	4.326
7.724	7.724	Consumer	1.862	1.803	1.944	2.115
0.000	0.000	Other	0.000	0.000	0.000	0.000
2.653	2.653	Securities: Taxable Income	0.527	0.662	0.732	0.732
0.932	0.932	Securities: Tax-exempt Income	0.256	0.256	0.210	0.210
0.088	0.088	Federal Funds Sold	0.000	0.001	0.013	0.074
19.742	19.742	Interest Expense	5.645	5.003	4.662	4.433
0.229	0.229	Checking Accounts	0.104	0.047	0.042	0.037
6.525	6.525	Savings Accounts	1.924	1.601	1.536	1.464
11.495	11.495	Retail Time Accounts	3.152	2.989	2.746	2.608
1.313	1.313	Corporate CDs	0.333	0.330	0.327	0.324
0.181	0.181	Borrowed Funds	0.133	0.036	0.012	0.000
0.000	0.000	FHLB Borrowing	0.000	0.000	0.000	0.000
0.000	0.000	Subordinated Debentures	0.000	0.000	0.000	0.000
-0.027	-0.027	Net Interest on Swaps	-0.027	0.000	0.000	0.000
21.352	21.352	Net Interest Income	5.371	5.368	5.197	5.416
10.828	10.828	Service Charges & Other Income	2.737	2.469	2.688	2.934
3.428	3.428	Loan Loss Provision	1.169	0.909	0.966	0.384
22.634	22.634	Operating Expenses	6.343	5.480	5.429	5.382
15.337	15.337	Salaries and Benefits	4.505	3.710	3.595	3.528
0.400	0.400	Advertising - Promotion	0.100	0.100	0.100	0.100
6.896	6.896	Occupancy & Other Op.Expenses	1.738	1.670	1.735	1.754
6.119	6.119	Operating Earnings	0.596	1.449	1.490	2.584
1.972	1.972	Gains/Losses on Asset Sales	0.000	-0.002	0.000	1.973
2.622	2.622	Income Taxes	0.135	0.441	0.471	1.575
5.468	5.468	Net Income	0.461	1.006	1.019	2.982
2.734	2.734	Earnings Per Share	0.230	0.503	0.509	1.491
6.55	6.55	Interest Income/Earning Assets	6.70	6.69	6.67	7.03
3.49	3.49	Interest Expense/Int-bear Liab	3.76	3.58	3.53	3.59
3.06	3.06	Spread	2.93	3.11	3.14	3.44
3.40	3.40	Net Interest Inc/Earning Assets	3.26	3.46	3.52	3.86
70.33	70.33	Efficiency Ratio	78.23	69.91	68.86	64.45
3.00	3.00	Net Interest Inc/Total Assets	2.88	3.06	3.10	3.41
3.19	3.19	Operating Expense/Total Assets	3.40	3.12	3.24	3.39
1.66	1.66	Net Non-Int Exp/Total Assets	1.93	1.71	1.64	1.54
0.86	0.86	Operating Earning/Total Assets	0.32	0.82	0.89	1.63
0.77	0.77	Net Income/Total Assets	0.25	0.57	0.61	1.88
11.28	11.28	Net Income/Owners Equity	3.87	8.33	8.39	24.12

Income Statement as of 12/31/29 Bank S1 === B02 === Page 3

elliott davis

38

Interest Income & Expense

	Year Ended 12/31/20X2	% of Operating Income
Interest Income		
Loans		
Business	3,468	25.2%
Real Estate	4,930	35.8%
Consumer	1,862	13.5%
Other	-	0.0%
Total Loans	10,260	74.5%
Securities: Taxable Income	527	3.8%
Securities: Tax-exempt Income	256	1.9%
Federal Funds Sold	-	0.0%
Total interest income	11,043	80.1%
Interest Expense		
Deposits		
Checking Accounts	104	0.8%
Savings Accounts	1,924	14.0%
Retail Time Accounts	3,152	22.9%
Corporate CDs	333	2.4%
Total Deposits	5,513	
Borrowed Funds (Fed Funds Purchased)	133	1.0%
FHLB Borrowing	27	0.2%
Subordinated debt (Capital Notes)	-	0.0%
Total interest expense	5,673	41.2%
Net interest income	5,370	39.0%
Provision for credit losses	1,169	8.5%
Net interest income after provision	4,201	30.5%

elliott davis

39

Net Interest Income

- Interest Income
  - Sum of interest earned on “Earning Assets”
  - Distinction for taxable and tax-exempt interest
- Interest Expense
  - Sum of interest paid on “Interest Bearing Liabilities”
  - Cost of Funds
- Net Interest Income
  - Primary component of a bank’s income statement
  - Crucial in determining bank profitability
  - Demonstrates interest rate risk management

elliott davis

40

Asset Mix Comparison

Earning Assets (Actual)	Balance	% of EA	Income	Yield
Time Deposits at other institutions	2,200	2.94%	182	8.27%
Federal Funds Sold & Repos	3,380	4.51%	251	7.43%
Investment Securities	17,410	23.23%	1,642	9.43%
Loans	51,950	69.32%	5,425	10.44%
	74,940	100.00%	7,500	10.01%

Scenario 1 (Adjust Mix)	Balance	% of EA	Income	Yield
Time Deposits at other institutions	-	0.00%	-	0.00%
Federal Funds Sold & Repos	1,000	1.33%	74.3	7.43%
Investment Securities	17,410	23.23%	1,642	9.43%
Loans	56,430	75.30%	5,904	10.46%
	74,840	100.00%	7,620	10.18%

Increased income!

elliott davis

41

Liability Mix Comparison

Interest-Bearing Liabilities (Actual)	Balance	% of IBL	Expense	Yield
Interest Checking Accounts	9,730	15.30%	523	5.38%
Money Market & Savings	14,000	22.02%	777	5.55%
CDs	38,380	60.36%	2,878	7.50%
Total Deposits	62,110	97.69%	4,178	6.73%
Short-term Borrowings	470	0.74%	30	6.38%
Subordinated Debt	1,000	1.57%	92	9.20%
	63,580	100.00%	4,300	6.76%

Scenario 1 (Adjust Mix)	Balance	% of IBL	Expense	Yield
Interest Checking Accounts	19,730	31.03%	1,061	5.38%
Money Market & Savings	24,000	37.75%	1,332	5.55%
CDs	18,380	28.91%	1,378	7.50%
Total Deposits	62,110	97.69%	3,771	6.07%
Short-term Borrowings	470	0.74%	30	6.38%
Subordinated Debt	1,000	1.57%	92	9.20%
	63,580	100.00%	3,893	6.12%

Lower expense!

elliott davis

42

Rate Volume Table

(In thousands)	2024 versus 2023 Increase (decrease) due to Volume	Rate	Net
Assets			
Earning assets			
Loans	$ 7,267	$ 6,847	$ 14,114
Investment securities-taxable	(57)	6	(51)
Investment securities- nontaxable	(1,704)	1,073	(631)
Interest bearing deposits in other banks	3,366	(73)	3,293
Fed Funds sold	—	—	—
Total earning assets	8,872	7,853	16,725
Interest-bearing liabilities			
Interest-bearing transaction accounts	21	1,670	1,691
Money market accounts	1,619	2,484	4,103
Savings deposits	(53)	176	123
Time deposits	4,699	3,994	8,693
Fed funds purchased	(74)	23	(51)
Securities sold under agreements to repurchase	59	466	525
FHLB Advances	(1,627)	90	(1,537)
Other long-term debt	—	30	30
Total interest-bearing liabilities	4,644	8,933	13,577
Net interest income	4,228	(1,080)	$ 3,148

Increase in income more due to volume

Increase in expense more due to rate

elliott davis

43

Net Interest Income

(Dollars in thousands except per share amounts)	As of or For the Years Ended December 31, 2024	2023	2022
Results of Operations:			
Interest income	$ 89,422	$ 72,697	$ 51,117
Interest expense	37,382	23,805	3,174
Net interest income	52,040	48,892	47,943
Provision for (release of) credit losses	809	1,129	(152)
Net interest income after provision for (release of) credit losses	51,231	47,763	48,095
Non-interest income	14,004	10,421	11,569
Non-interest expenses	47,465	43,144	41,253
Income before taxes	17,770	15,040	18,411
Income tax expense	3,815	3,197	3,798
Net income	13,955	11,843	14,613
Net income available to common shareholders	13,955	11,843	14,613

Drastic changes in Interest Income & Interest Expense, but modest increase in Net Interest Income!!

elliott davis

44

Noninterest Income & Expense

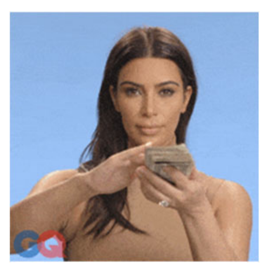
Noninterest Income		
Service charges & Other Income	2,737	19.9%
Gains/Losses on Asset Sales	-	0.0%
Total noninterest income	2,737	19.9%
Noninterest Expense		
Salaries & Benefits	4,505	32.7%
Advertising - Promotion	100	0.7%
Occupancy & Other Op. Expenses	1,738	12.6%
Total noninterest expense	6,343	65.9%
Income before taxes	595	4%
Income tax expense	135	1%
Net income	**$ 460**	**3.3%**
Earnings per share	$ 0.23	
Weighted average shares outstanding	2,000	

elliott davis

45

Non-Interest Income/Expense

- Noninterest (Other) Income
  - Fees, Commissions, other products (i.e. investments, insurance)
  - Gains on Sale of assets (i.e. mortgage loans, investments, etc.)
  - Larger share of income statement for larger banks
- Noninterest (Overhead) Expense
  - Personnel
  - Occupancy/Equipment
  - Software/Data Processing
  - "Other"



elliott davis

46

Non-Interest Income

(In thousands)	Year ended December 31, 2024	2023	2022
Deposit service charges	952	963	960
Mortgage banking income	2,368	1,406	1,900
Investment advisory fees and non-deposit commissions	6,181	4,511	4,479
Loss on sale of securities	—	(1,249)	—
Gain (loss) on sale of other real estate owned	—	151	(45)
Loss on sale of other assets	(5)	—	(73)
Other non-recurring income	105	121	7
ATM debit card income	2,758	2,771	2,706
Recurring income on bank owned life insurance	799	745	721
Rental income	395	370	322
Other service fees including safe deposit box fees	230	230	251
Wire transfer fees	123	119	132
Other	98	283	209
Total	$ 14,004	$ 10,421	$ 11,569

elliott davis

47

Non-Interest Expense

(In thousands)	Year ended December 31, 2024	2023	2022
Salaries and employee benefits	$ 29,263	$ 25,864	$ 25,357
Occupancy	3,094	3,157	3,002
Equipment	1,451	1,566	1,343
Marketing and public relations	1,511	1,496	1,259
FDIC Insurance assessments	1,177	904	468
Other real estate expense (income)	103	(112)	308
Amortization of intangibles	158	158	158
Core banking and electronic processing and services	2,736	2,512	2,469
ATM/debit card processing	1,280	1,074	885
Software subscriptions and services	1,260	1,008	896
Supplies	151	134	134
Telephone	517	485	354
Courier	296	284	279
Correspondent services	303	354	303
Insurance	406	381	358
Debit card and Fraud losses	199	422	285
Investment advisory services	344	329	409
Loan processing and closing costs	236	331	266
Director fees	603	601	488
Legal and Professional fees	1,205	1,042	1,177
Shareholder expense	277	197	221
Other	895	957	834
	$ 47,465	$ 43,144	$ 41,253

elliott davis

48

Analyzing Performance

- Ratio analysis provides method to compare performance **over time** & **relative to peers**
- Fundamental tradeoff between bank profitability and risk
  - A bank with above average profits takes on above average risk or realizes a competitive advantage in a product or service
  - Different-sized banks exhibit different profitability and risk profiles because they serve different types of customers and operate in different geographic markets
- Peer data is publicly available (i.e. S&P, UPBR, others)

elliott davis

49

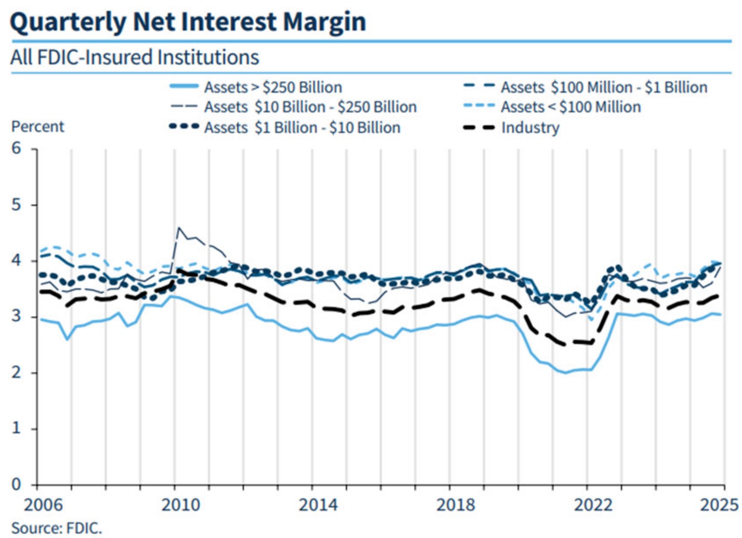
Net Interest Margin

- Net Interest Margin = NII (Net Interest Income)/ Earning Assets
  - NIM is single largest variable affecting profitability
  - Smaller banks generally have larger NIMs
  - Earning Assets measures fraction of assets which produce income
  - Good = > 3.50%

elliott davis

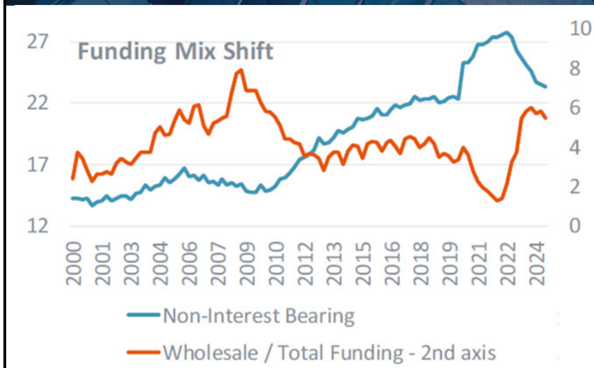
50

Quarterly NIMs

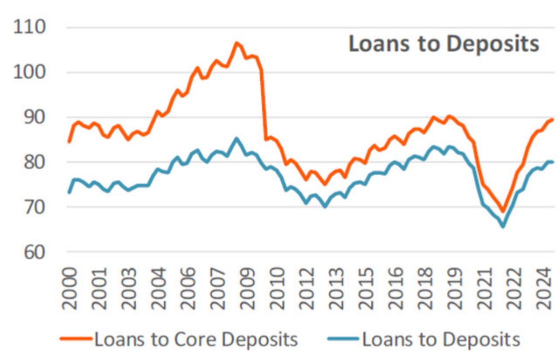


51

Mix Shift



- Higher Loans to Deposits ratios are pressuring funding cost expectations
- Alternative (MMF, USTs) are gaining market share
- Continued NIM pressure expected



52

Net Interest Margin

(dollars in thousands)	2025 Average Balance	2025 Interest and Fees	2025 Yield / Rate	2024 Average Balance	2024 Interest and Fees	2024 Yield / Rate
	For the Years Ended December 31,					
Earning Assets:						
Cash and due from banks	$ 21,449	$ 484	2.26 %	$ 20,546	$ 534	2.60 %
Federal funds sold	66,287	2,901	4.38	69,490	3,751	5.40
Investment securities	338,498	15,534	4.59	352,681	16,046	4.55
Loans:						
Loans held for sale	167,670	13,308	7.94	123,310	10,272	8.33
Gross loans held for investment	1,511,831	95,486	6.32	1,418,022	93,046	6.56
Total earning assets	2,105,735	127,713	6.07	1,984,049	123,649	6.23
Noninterest-earning assets	100,807			103,204		
Total assets	$ 2,206,542			$ 2,087,253		
Interest-bearing liabilities:						
Demand deposits	$ 199,395	$ 1,506	0.76 %	$ 179,495	$ 816	0.45 %
Money market deposits	593,291	18,500	3.12	598,621	22,349	3.73
Savings deposits	35,179	177	0.50	38,074	189	0.50
Time deposits	793,184	32,097	4.05	651,974	30,089	4.62
Total interest-bearing deposits	1,621,049	52,280	3.23	1,468,164	53,443	3.64
Borrowings	22,362	1,543	6.90	85,505	4,884	5.71
Total interest-bearing liabilities	$ 1,643,411	$ 53,823	3.28 %	$ 1,553,669	$ 58,327	3.75 %
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	$ 307,464			$ 323,949		
Other noninterest-bearing liabilities	28,182			29,007		
Total noninterest-bearing liabilities	335,646			352,956		
Shareholders' equity	227,485			180,628		
Total liabilities and shareholders' equity	$ 2,206,542			$ 2,087,253		
Net interest income		$ 73,890			$ 65,322	
Net interest spread			2.79 %			2.48 %
Net interest margin			3.51 %			3.29 %

53

Aggregate Profitability Ratios

- Return on Equity (ROE) = Net Income/ Stockholders' Equity
  - Great = 8-12%
- Return on Assets (ROA) = Net Income/ Total Assets
  - Great = .85% – 1.25%
- Efficiency Ratio (OH) = noninterest expense / (net interest income + noninterest income)
  - Larger banks generally have smaller efficiency ratios that small banks
  - Great = < 60%

elliott davis

54

Profitability Ratios

	As of or For the Years Ended December 31,		
	2025	2024	2023
Selected Ratios:			
Return on average assets	0.94%	0.74%	0.68%
Return on average common equity:	12.36%	10.17%	9.59%
Return on average tangible common equity (non-GAAP):	13.68%	11.44%	10.95%
Efficiency Ratio (non-GAAP)(1)	65.97%	71.56%	71.23%
Noninterest income to operating revenue(2)	21.46%	21.20%	17.57%
Net interest margin (tax equivalent)	3.23%	2.92%	3.01%
Equity to assets	8.14%	7.38%	7.17%
Tangible common shareholders' equity to tangible assets (non-GAAP)	7.47%	6.66%	6.39%
Tier 1 risk-based capital (Bank)(4)	13.11%	12.87%	12.53%
Total risk-based capital (Bank)(4)	14.16%	13.94%	13.58%
Leverage (Bank)(4)	8.66%	8.40%	8.45%
Average loans to average deposits(5)	73.35%	74.35%	73.25%

elliott davis

55

Best Community Banks of 2025 (<$10B)

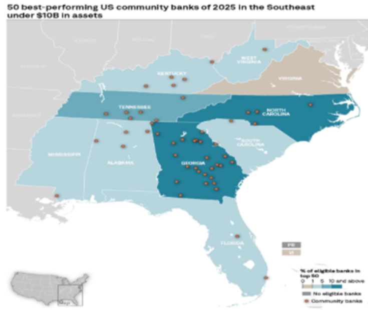
2025 Top Community Banks by Region

Top 50 Community Banks: Southeast

1st	2nd	3rd
Cumberland Security Bank Inc.	Classic City Bank	Durden Banking Co. Inc.
Somerset, KY	Athens, GA	Twin City, GA
Branches: 4	Branches: 1	Branches: 4
Gross loans and leases: $349.4M	Gross loans and leases: $187.3M	Gross loans and leases: $234.8M
Total deposits: $371.7M	Total deposits: $260.4M	Total deposits: $237.9M

Data compiled Feb. 26, 2026.
Source: S&P Global Market Intelligence.

50 best-performing US community banks of 2025 in the Southeast under $10B in assets



				Ranking metrics (%)							
Rank	Company Name	City, state	Total assets ($M)	ROAA before tax and extra1	Net interest margin	Efficiency ratio	3-year avg. operating revenue change	8-quarter avg. deposit growth	NPAs and loans 90+ PD/total assets	NCOs/avg. loans and leases	Adj. tangible common equity/tangible assets
1	Cumberland Security Bank Inc.	Somerset, KY	427.4	4.07	5.88	33.10	18.2	3.3	0.14	0.05	14.82
2	Classic City Bank	Athens, GA	294.2	2.70	4.95	42.25	32.3	4.7	0.00	0.00	11.37
3	Durden Banking Co. Inc.	Twin City, GA	283.8	3.09	5.67	48.21	15.1	0.1	0.11	0.04	17.06

elliott davis

56

SC Banks Performance Metrics - ROA

COMPANY NAME	SNL INSTITUTION KEY	TOTAL ASSETS MSTRCTYEAR ($000)	ROAA MSTRCTYE... (%)	ROAE MSTRCTYEAR (%)	NET INTEREST MARGIN MSTRCTYEAR (%)	EFFICIENCY RATIO (FTE) MSTRCTYEAR (%)
Enterprise Bank of South Carolina	1009638	491,150	2.24	57.43	3.53	70.64
Bank of York	1015341	305,926	1.72	14.39	4.42	50.91
The Peoples Bank	1007614	439,480	1.58	16.19	4.15	61.75
Carolina Bank & Trust Company	1008435	886,375	1.51	12.19	3.98	48.71
Farmers and Merchants Bank of South Carolina	1007571	495,356	1.49	12.29	3.86	53.64
The Bank of South Carolina	1007112	576,238	1.44	14.46	4.30	57.73
Bank of Travelers Rest	1011202	1,555,193	1.41	18.29	3.12	58.84
Anderson Brothers Bank	1002263	2,207,970	1.38	16.11	6.09	59.54
The Bank of Clarendon	1001348	441,857	1.30	11.94	3.61	58.02
First National Bank of South Carolina	1008342	305,598	1.28	12.52	3.76	60.83
The Conway National Bank	1011712	1,948,354	1.23	13.01	3.14	51.61
United Community Bank	1016542	27,929,114	1.19	9.98	3.54	53.60
Arthur State Bank	1011221	814,415	1.18	18.63	4.35	68.01
Countybank	1007428	729,554	1.18	22.11	3.69	76.50
Coastal States Bank	4091657	2,304,649	1.16	11.18	3.55	56.91
Optus Bank	1991079	777,905	1.13	9.32	3.08	52.19
The Citizens Bank	1015076	1,103,926	1.13	10.81	4.11	64.20
Bank of Greeleyville	1009720	152,175	1.11	11.23	4.62	73.40
First Reliance Bank	4051704	1,091,534	1.10	11.75	3.72	67.55
First Palmetto Bank	1000531	1,056,466	1.07	11.74	3.40	62.42
First Community Bank	1024735	2,057,446	1.06	13.18	3.25	63.03

elliott davis

57

SC Banks Performance Metrics - NIM

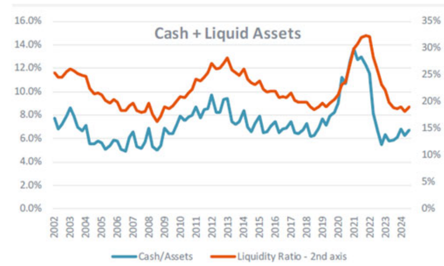
COMPANY NAME	SNL INSTITUTION KEY	TOTAL ASSETS MSTRCTYEAR ($000)	ROAA MSTRCTYEAR (%)	ROAE MSTRCTYEAR (%)	NET INTEREST MARGIN MSTRCTYE... (%)	EFFICIENCY RATIO (FTE) MSTRCTYEAR (%)
Anderson Brothers Bank	1002263	2,207,970	1.38	16.11	6.09	59.54
Blue Ridge Bank	1006228	193,790	0.63	7.63	4.71	79.56
Bank of Greeleyville	1009720	152,175	1.11	11.23	4.62	73.40
Bank of York	1015341	305,926	1.72	14.39	4.42	50.91
Dedicated Community Bank	1010319	103,360	0.76	9.48	4.35	76.54
Arthur State Bank	1011221	814,415	1.18	18.63	4.35	68.01
The Bank of South Carolina	1007112	576,238	1.44	14.46	4.30	57.73
The Peoples Bank	1007614	439,480	1.58	16.19	4.15	61.75
1st Federal Savings Bank of SC, Inc.	1002454	141,788	0.55	6.48	4.14	83.91
The Citizens Bank	1015076	1,103,926	1.13	10.81	4.11	64.20
Carolina Bank & Trust Company	1008435	886,375	1.51	12.19	3.98	48.71
Farmers and Merchants Bank of South Carolina	1007571	495,356	1.49	12.29	3.86	53.64
First National Bank of South Carolina	1008342	305,598	1.28	12.52	3.76	60.83
First Reliance Bank	4051704	1,091,534	1.10	11.75	3.72	67.55
Bank of the Lowcountry	1022438	410,778	0.71	11.94	3.70	72.44
Countybank	1007428	729,554	1.18	22.11	3.69	76.50
The Bank of Clarendon	1001348	441,857	1.30	11.94	3.61	58.02
Coastal States Bank	4091657	2,304,649	1.16	11.18	3.55	56.91
United Community Bank	1016542	27,929,114	1.19	9.98	3.54	53.60
Abbeville First Bank, SSB	4074115	137,411	0.83	10.24	3.54	68.55
Coastal Carolina National Bank	4200009	1,277,669	1.04	12.00	3.54	59.26

elliott davis

58

Liquidity Risk

- Liquidity = ease of converting assets to cash
- Cash & Cash Equivalents
- Sale of securities
  - Must be "available-for-sale"
  - Unrealized loss position = illiquid
  - Ladder strategy
- Availability/Access to Borrowings
  - Fed Funds / Discount Window
  - FHLB borrowings
  - Sub Debt



elliott davis

59

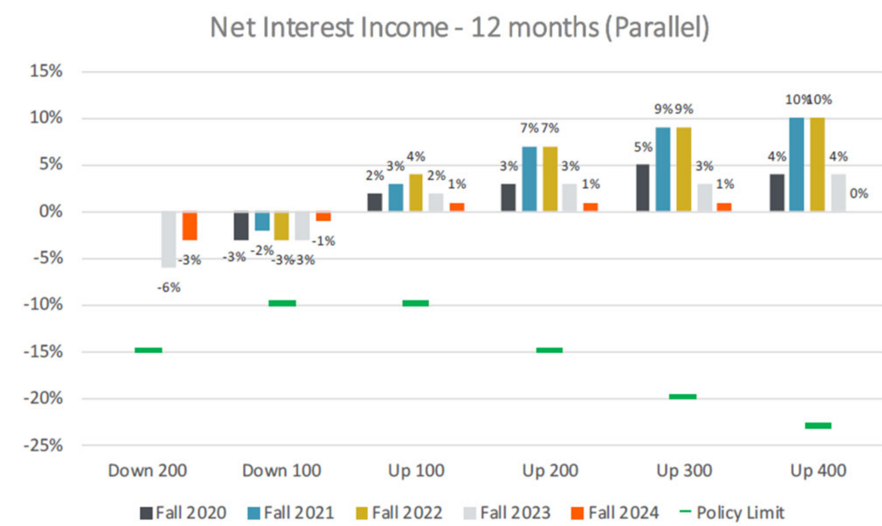
Interest Rate Risk

- Variation in Net Interest Income caused by changes in market rates
  - "Rate sensitive" assets and liabilities reprice with rate changes
  - Impact is not equal
- GAP analysis measures $ difference between rate sensitive assets & rate sensitive liabilities
  - <90 days, 3-6 mos, 6-12 mos, 1-3 years, 3-5 years, >5 years
  - Greater the difference = greater risk
- Asset Liability Modeling used for analysis
  - "Rate Shocks" demonstrate changes in Net Interest Income and Equity
- Interest rate changes also cause changes in asset *prices*
  - i.e. Unrealized losses in Bond portfolio in rising rate environment

elliott davis

60

Rate Shock Scenarios



61

Asset Quality Ratios

- Credit Risk = risk of default
- Different asset types carry different credit risk
  - Securities (external credit ratings)
  - Loans (internal credit ratings)
- Measures of credit risk:
  - Loan-to-asset and loan-to-deposit ratios
  - Asset Quality ratios:
    - Net charge offs to total loans ratio
    - Non-accrual and past due loans to total loans ratio
    - Allowance to total loans ratio

elliott davis

62

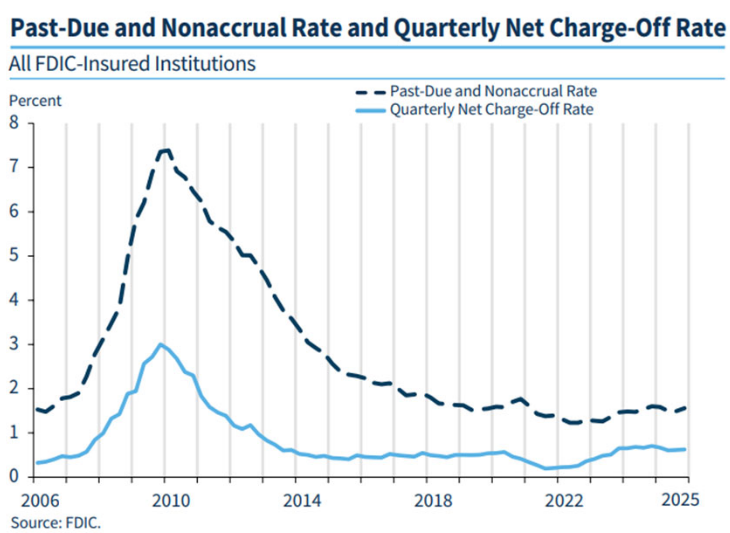
Asset Quality Ratios

	As of or For the Years Ended December 31,		
	2025	2024	2023
Asset Quality Ratios:			
Non-performing assets to total assets[3]	0.02%	0.04%	0.05%
Non-performing loans to period end loans	0.02%	0.02%	0.02%
Net charge-offs (recoveries) to average loans	0.00%	0.01%	0.00%
Allowance for credit losses to period-end total loans	1.05%	1.08%	1.08%
Allowance for credit losses to non-performing assets	3,859.14%	1,683.70%	1,492.36%

elliott davis

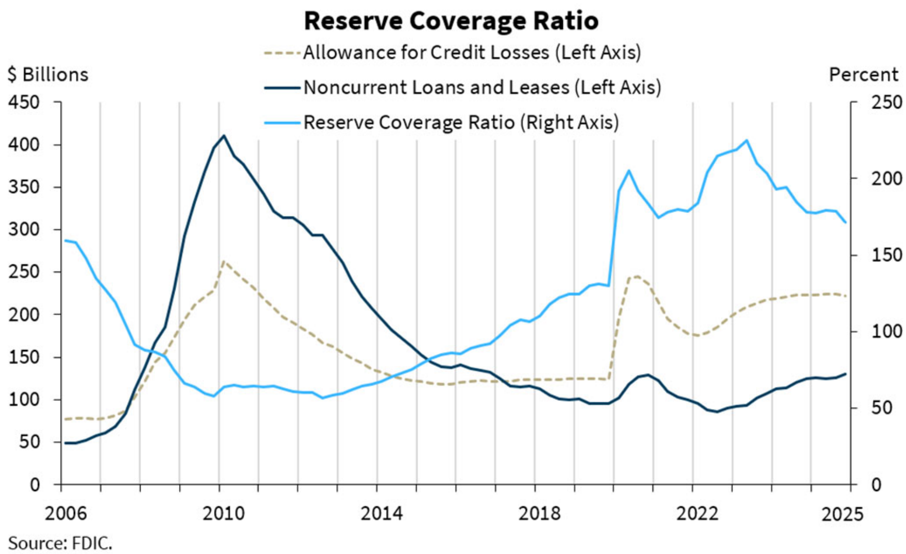
63

Asset Quality Trends



64

US Banks Allowance Levels



65

SC Banks Allowance Levels

Bank Name	City	Total Loans 12/31/2025	ACL $ 12/31/2025	ACL % 12/31/2025
SECURITY FEDERAL BANK	AIKEN	686,584.00	13,529.00	1.97%
CITIZENS BANK, THE	OLANTA	627,898.00	7,514.00	1.20%
COASTAL STATES BANK	HILTON HEAD ISLAND	1,617,315.00	18,743.00	1.16%
BEACON COMMUNITY BANK	MOUNT PLEASANT	845,785.00	8,458.00	1.00%
COASTAL CAROLINA NATIONAL BANK	MYRTLE BEACH	944,842.00	10,238.00	1.08%
SOUTH ATLANTIC BANK	MYRTLE BEACH	1,463,421.00	13,715.00	0.94%
FIRST COMMUNITY BANK	LEXINGTON	1,311,019.00	13,806.00	1.05%
OPTUS BANK	COLUMBIA	449,885.00	2,203.00	0.49%
FIRST CAPITAL BANK	CHARLESTON	988,602.00	9,960.00	1.01%
SOUTHERN FIRST BANK	GREENVILLE	3,847,081.00	42,280.00	1.10%
FIRST RELIANCE BANK	FLORENCE	779,898.00	8,828.00	1.13%
BANK OF TRAVELERS REST	TRAVELERS REST	901,349.00	11,910.00	1.32%
ARTHUR STATE BANK	UNION	597,987.00	6,296.00	1.05%
FIRST PALMETTO BANK	CAMDEN	776,448.00	11,827.00	1.52%
CONWAY NATIONAL BANK, THE	CONWAY	835,422.00	9,147.00	1.09%
CAROLINA BANK & TRUST COMPANY	LAMAR	588,349.00	8,170.00	1.39%
BANK OF SOUTH CAROLINA, THE	CHARLESTON	361,060.00	4,257.00	1.18%
COUNTYBANK	GREENWOOD	387,762.00	3,375.00	0.87%
PALMETTO STATE BANK	HAMPTON	229,550.00	3,890.00	1.69%
ANDERSON BROTHERS BANK	MULLINS	1,767,794.00	29,533.00	1.67%

	Total Loans	ACL $	ACL %
Minimum:	229,550.00	2,203.00	0.49%
Median:	807,660.00	9,553.50	1.12%
Average:	1,000,402.55	11,883.95	1.20%
Maximum:	3,847,081.00	42,280.00	1.97%

66

Capital Risk

- Capital measures the overall solvency risk of a bank
  - Capital is a “buffer” or safety margin to absorb losses
- Sources of capital risk (potential losses):
  - High credit risk* = loan charge-offs, losses
  - High interest rate risk = diminished earnings
  - High liquidity risk = sell unfavorable assets or pay premium for borrowings
- Minimum Capital Ratios are established by bank regulators

Dollars in thousands		Prompt Corrective Action (PCA) Requirements	
Capital Ratios	Actual	Well Capitalized	Adequately Capitalized
March 31, 2022			
Leverage Ratio	8.43%	5.00%	4.00%
Common Equity Tier 1 Capital Ratio	13.89%	6.50%	4.50%
Tier 1 Capital Ratio	13.89%	8.00%	6.00%
Total Capital Ratio	15.03%	10.00%	8.00%

elliott davis

67

Revisit Objectives

- Better understand balance sheet and income statement components
- Connect balance sheet segments with income statement impacts
- Understand risks associated with each category
- Recognize important financial ratios & metrics
- Relate key financial concepts and data to planning and managing a bank
- Be prepared for Bank Sim in Year 3!

elliott davis

68