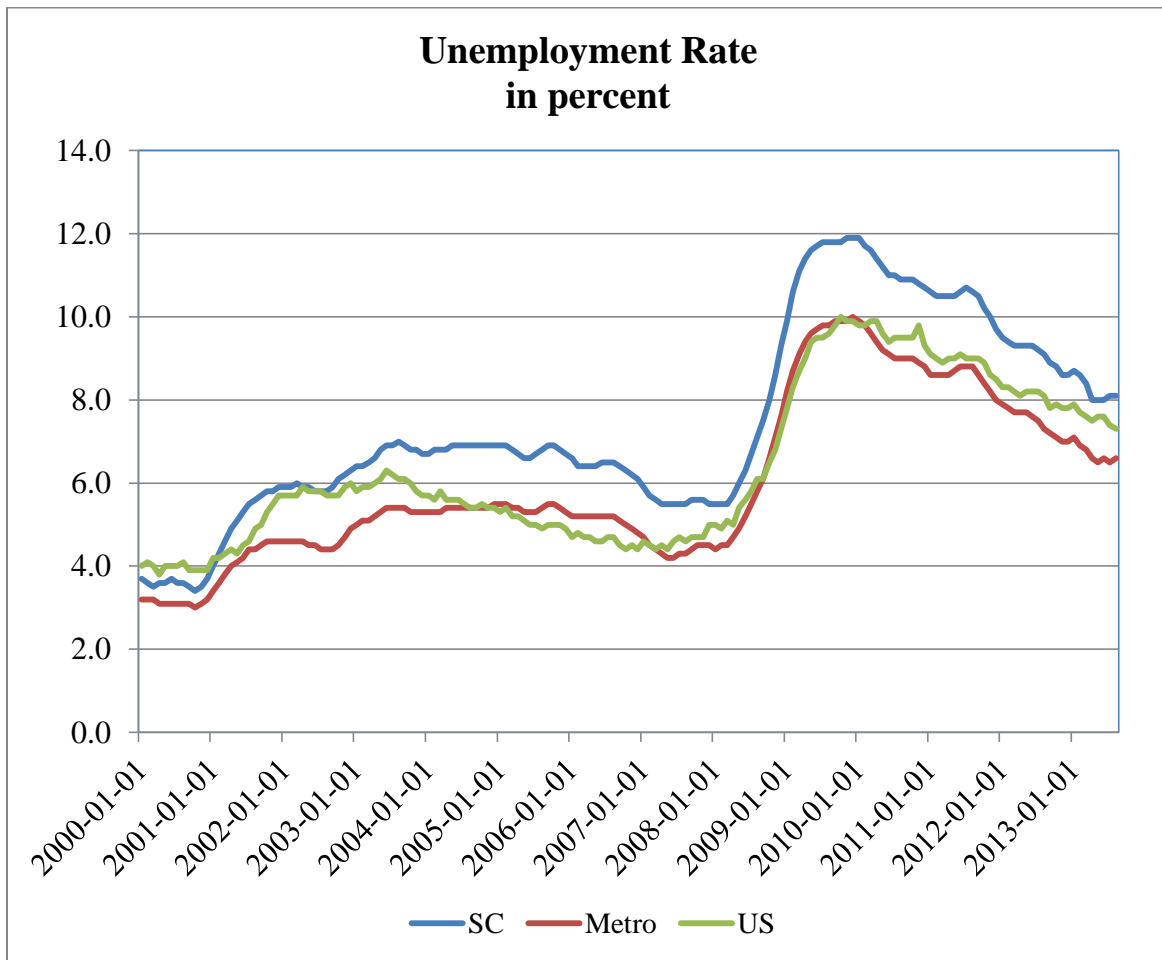


Third Quarter Update

Employment Situation

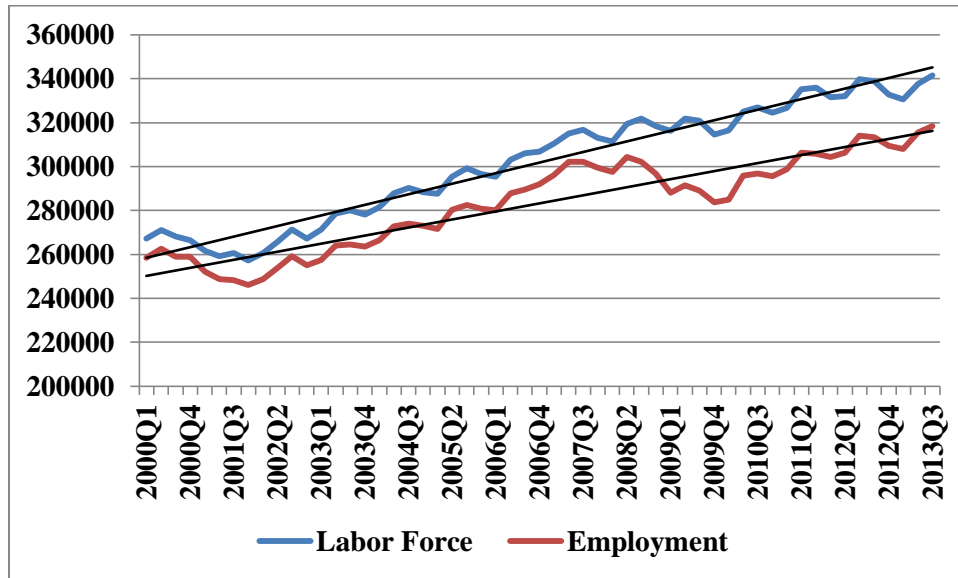


Unemployment Rate Data
in percent
(seasonally adjusted)

| Date | SC | Metro | US |
|------------|------|-------|-----|
| 2011-01-01 | 10.6 | 8.6 | 9.1 |
| 2011-02-01 | 10.5 | 8.6 | 9.0 |
| 2011-03-01 | 10.5 | 8.6 | 8.9 |
| 2011-04-01 | 10.5 | 8.6 | 9.0 |
| 2011-05-01 | 10.5 | 8.7 | 9.0 |
| 2011-06-01 | 10.6 | 8.8 | 9.1 |
| 2011-07-01 | 10.7 | 8.8 | 9.0 |
| 2011-08-01 | 10.6 | 8.8 | 9.0 |
| 2011-09-01 | 10.5 | 8.6 | 9.0 |
| 2011-10-01 | 10.2 | 8.4 | 8.9 |
| 2011-11-01 | 10.0 | 8.2 | 8.6 |
| 2011-12-01 | 9.7 | 8.0 | 8.5 |
| 2012-01-01 | 9.5 | 7.9 | 8.3 |
| 2012-02-01 | 9.4 | 7.8 | 8.3 |
| 2012-03-01 | 9.3 | 7.7 | 8.2 |
| 2012-04-01 | 9.3 | 7.7 | 8.1 |
| 2012-05-01 | 9.3 | 7.7 | 8.2 |
| 2012-06-01 | 9.3 | 7.6 | 8.2 |
| 2012-07-01 | 9.2 | 7.5 | 8.2 |
| 2012-08-01 | 9.1 | 7.3 | 8.1 |
| 2012-09-01 | 8.9 | 7.2 | 7.8 |
| 2012-10-01 | 8.8 | 7.1 | 7.9 |
| 2012-11-01 | 8.6 | 7.0 | 7.8 |
| 2012-12-01 | 8.6 | 7.0 | 7.8 |
| 2013-01-01 | 8.7 | 7.1 | 7.9 |
| 2013-02-01 | 8.6 | 6.9 | 7.7 |
| 2013-03-01 | 8.4 | 6.8 | 7.6 |
| 2013-04-01 | 8.0 | 6.6 | 7.5 |
| 2013-05-01 | 8.0 | 6.5 | 7.6 |
| 2013-06-01 | 8.0 | 6.6 | 7.6 |
| 2013-07-01 | 8.1 | 6.5 | 7.4 |
| 2013-08-01 | 8.1 | 6.6 | 7.3 |
| 2013-09-01 | | | 7.2 |

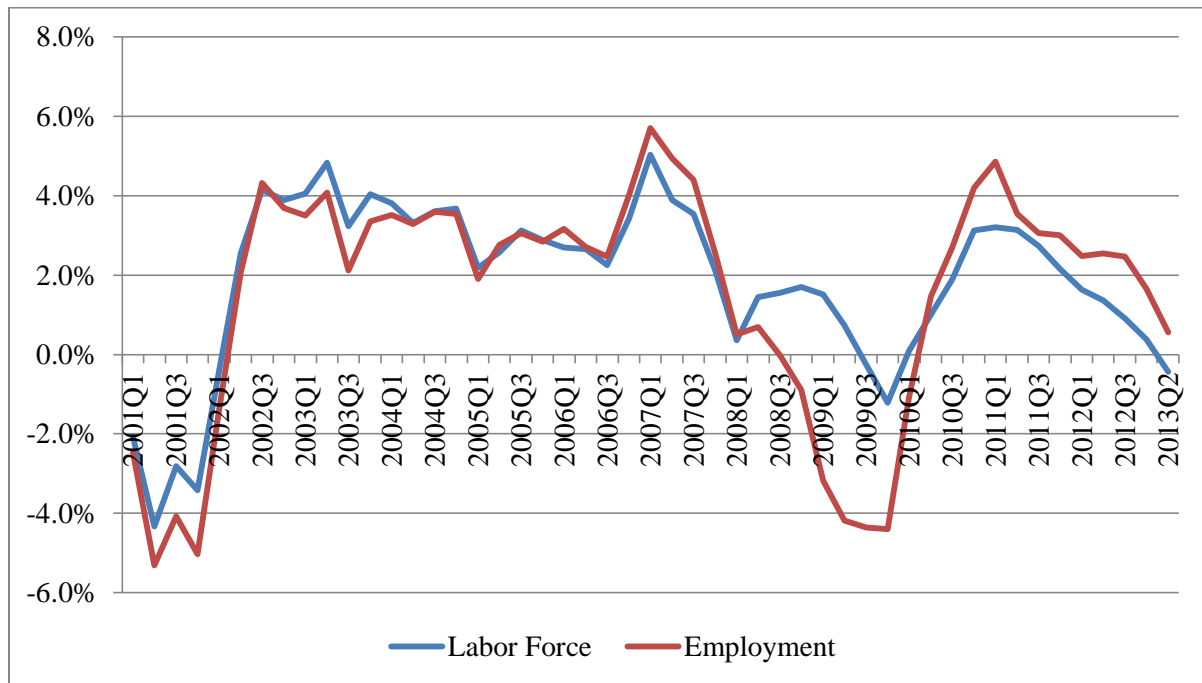
The forecast for the Charleston region for the entire year of 2013 is 6.2% with 2014 expected to come in at 5.9%.

Labor Force and Employment in the Trident Region



The labor force is still below the trend line. The labor force consists of people working or looking for work. People not in the labor force have either dropped out permanently or temporarily. In the second case, these people are often called discouraged workers, who may enter the labor force when market conditions improve. One reason the unemployment rate is not higher is because of the drop-outs. The population of the Charleston Metro region has not declined, while the labor force has leveled off. Employment, actual jobs, has been increasing since the depths of the recession.

Trident Region Labor Force and Employment Growth Rates

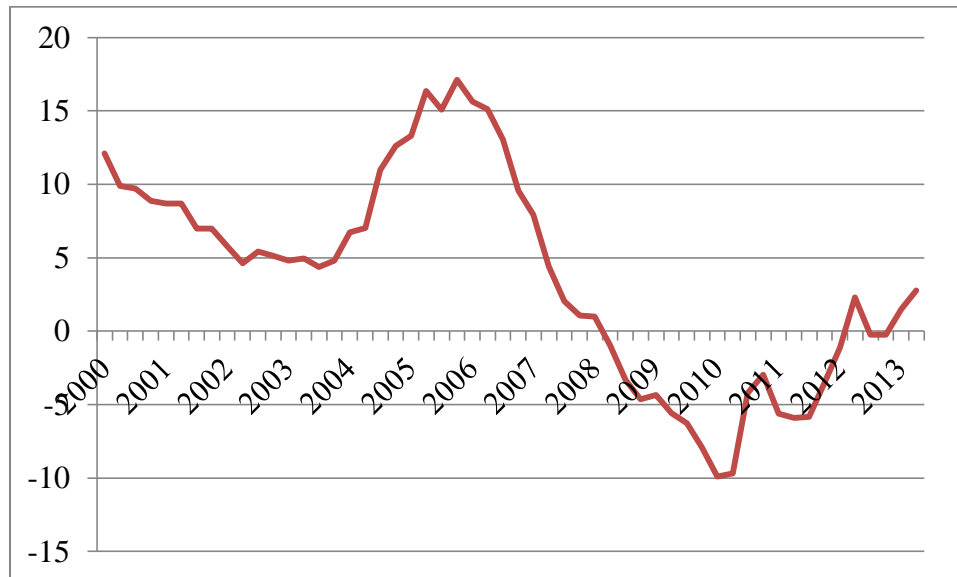


Job growth in the Metro Region is expected to average 1.4% for 2013 and 0.3% for 2014

Housing Prices: Bright Spot

The housing price index has at long last moved into positive territory.

**FHFA Housing Price Index Charleston Metro Region
in percent**



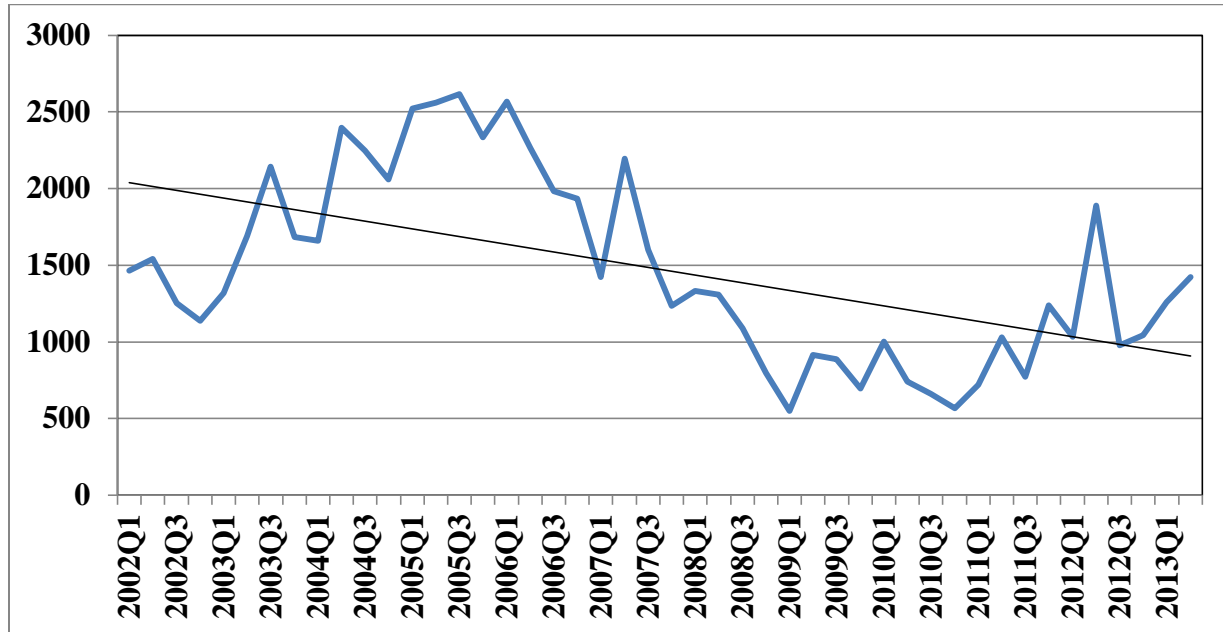
This index measures the change in housing prices by comparing the sale of a house to its own purchase price. The advantage of this index, as opposed to an average of houses sold at a specific time, is that we are looking at the same house. Since the second quarter of 2012 we have seen positive gains except for a slight drop in the fourth quarter. The table below provides the details of the depths to which the housing market plummeted and subsequent slow recovery. MLS data indicates both an increase in the average sales price in the region and number of homes sold.

**FHFA Housing Price Index Change
In percent**

| Year | Quarter | % Change |
|------|---------|-------------|
| 2007 | 1 | 7.93 |
| 2007 | 2 | 4.42 |
| 2007 | 3 | 2.04 |
| 2007 | 4 | 1.07 |
| 2008 | 1 | 0.99 |
| 2008 | 2 | -0.98 |
| 2008 | 3 | -3.33 |
| 2008 | 4 | -4.63 |
| 2009 | 1 | -4.36 |
| 2009 | 2 | -5.57 |
| 2009 | 3 | -6.28 |
| 2009 | 4 | -7.89 |
| 2010 | 1 | -9.91 |
| 2010 | 2 | -9.7 |
| 2010 | 3 | -4.21 |
| 2010 | 4 | -2.96 |
| 2011 | 1 | -5.63 |
| 2011 | 2 | -5.9 |
| 2011 | 3 | -5.85 |
| 2011 | 4 | -3.5 |
| 2012 | 1 | -1.11 |
| 2012 | 2 | 2.31 |
| 2012 | 3 | -0.24 |
| 2012 | 4 | -0.25 |
| 2013 | 1 | 1.5 |
| 2013 | 2 | 2.77 |

Housing Construction Activity on the Upswing

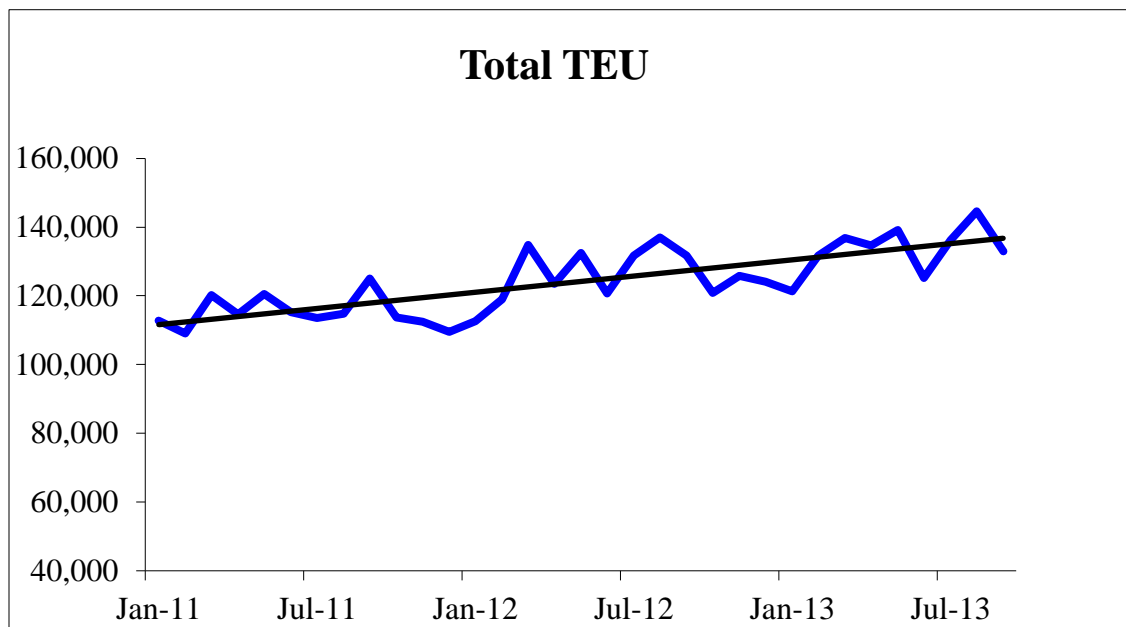
Total Building Permits in Trident Economy

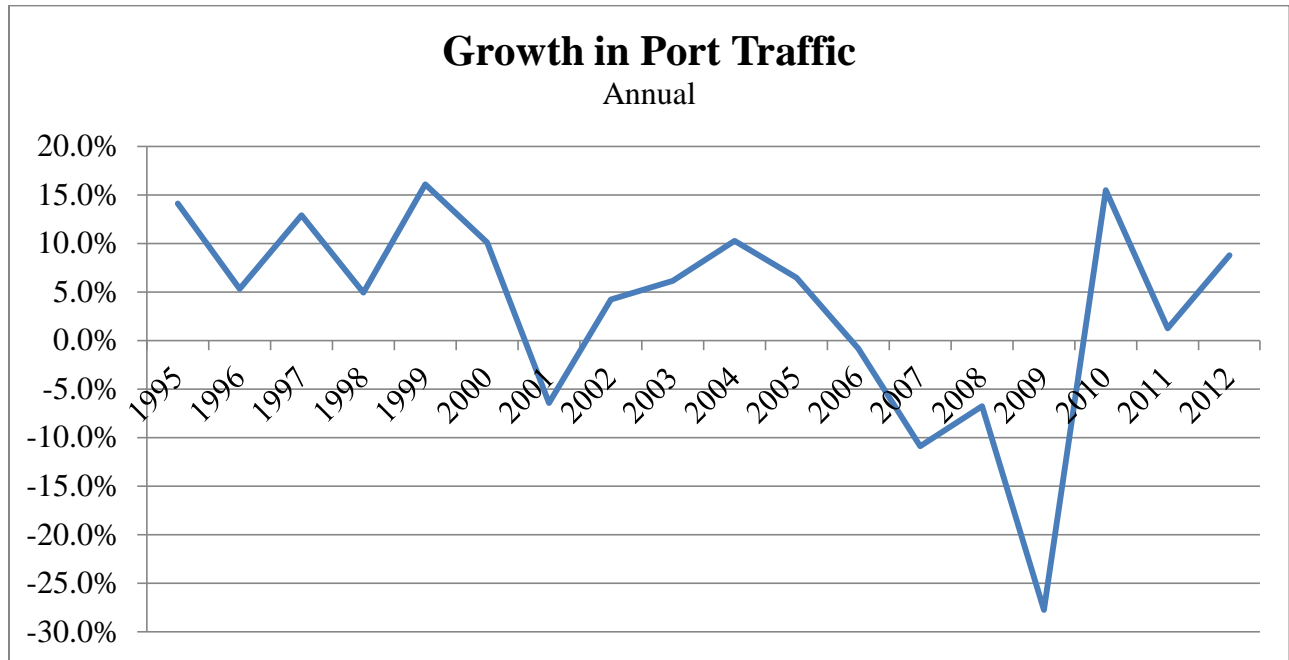


After a surge in the first two quarters of 2012, housing permits dropped almost to trendline in the third quarter, only to rebound in the first two quarters of 2013. We expect that construction activity will continue to be solid for the rest of 2013 and into 2014.

The Port of Charleston

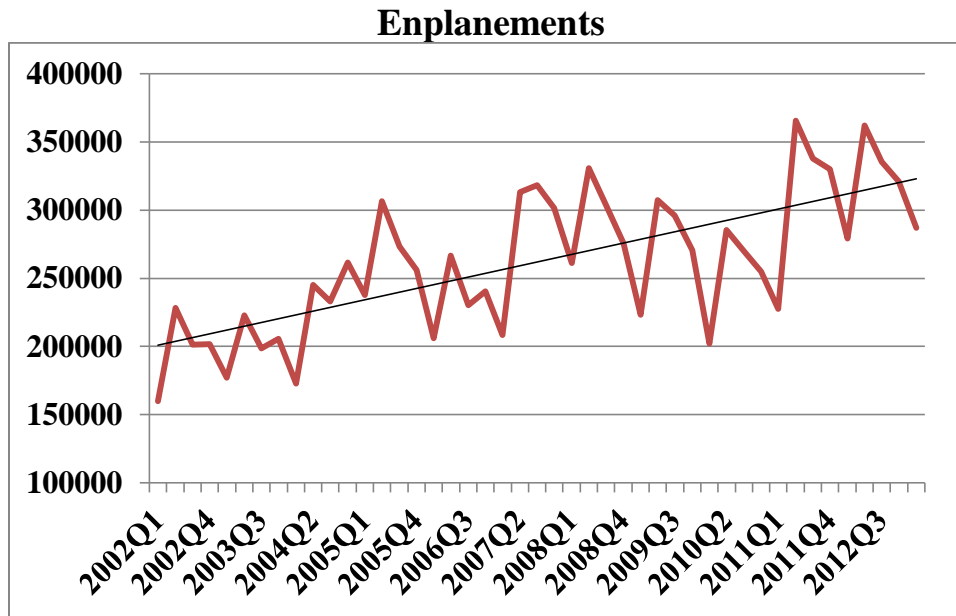
Port traffic has been above the trend line for about two years. However, imports are sensitive to the growth in the US, while exports are sensitive to the world-wide economic condition, which is still characterized by very slow growth and uncertainty. Growth has been positive for the past three years.





Port traffic is expected to continue to see positive gains so that 2013 will finish at 4.3% and 2014 is expected to growth to 5.9%.

Charleston International Airport Traffic



Airport traffic is expected to continue the trend with 3.0% growth in 2013 and 2014.

Airport traffic is an indicator both business activity and tourism. Airport traffic exhibits a seasonal pattern with a drop in the first quarter of each year. However, the overall trend has been upward sloping. We anticipate continued growth in this indicator with the increased competition between the airlines and continued growth in the economy. Although the recovery nationally may be fragile, the local area seems to be on a firm footing. We are still “more optimistic” for the region than for other parts of the state. We see continued positive signs in jobs, the housing market, and travel industry. Hotel occupancy is expected to remain stable around 70% (even with the increase in hotel inventory.) Retail sales are expected to be around 2.7% for 2013 and 2014.

We will continue to face the drama of going over some kind of cliff at the national level which increases uncertainty in all forecasts. The uncertainty surrounding government spending and taxes will continue to act as a drag on the economy.