

QCR
HOLDINGS, INC.

COVID-19 EXPOSURE

Q2 2020

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FORWARD-LOOKING STATEMENTS

This document contains, and future oral and written statements of QCR Holdings, Inc. (the “Company”) and its management may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company’s management and on information currently available to management, are generally identifiable by the use of words such as “believe,” “expect,” “anticipate,” “predict,” “suggest,” “appear,” “plan,” “intend,” “estimate,” “annualize,” “may,” “will,” “would,” “could,” “should” or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements. These factors include, among others, the following: (i) the strength of the local, state, national and international economies (including the impact of the 2020 presidential election and the impact of tariffs, a U.S. withdrawal from or significant renegotiation of trade agreements, trade wars and other changes in trade regulations); (ii) the economic impact of any future terrorist threats and attacks, widespread disease or pandemics (including the COVID-19 pandemic in the United States), or other adverse external events that could cause economic deterioration or instability in credit markets, and the response of local, state and national governments to any such adverse external events; (iii) changes in accounting policies and practices (including the new current expected credit loss (CECL) impairment standards, that will change how the Company estimates credit losses when implemented); (iv) changes in state and federal laws, regulations and governmental policies concerning the Company’s general business; (v) changes in interest rates and prepayment rates of the Company’s assets (including the impact of LIBOR phase-out); (vi) increased competition in the financial services sector and the inability to attract new customers; (vii) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (viii) unexpected results of acquisitions, which may include failure to realize the anticipated benefits of acquisitions and the possibility that transaction costs may be greater than anticipated; (ix) the loss of key executives or employees; (x) changes in consumer spending; and (xi) unexpected outcomes of existing or new litigation involving the Company. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning the Company and its business, including additional factors that could materially affect the Company’s financial results, is included in the Company’s filings with the Securities and Exchange Commission.

Client and Employee Safety Measures

- QCRH has transitioned employees back to the office as needed, with some continuing to work from home.
- Most locations re-opened lobbies with social distancing measures in place
 - Protective barriers installed at all locations
 - Face masks provided to all employees for use when social distancing is not an option
 - Traffic in lobbies remains lower than usual, but steady
 - Use of drive-up windows and online activity higher on average vs. pre-pandemic
- Business travel, large events and in-person meetings remain on hold.

PPP & LRP Participation

Client Participation in the Paycheck Protection Program (PPP)

QCRH experienced robust client participation in the PPP.

As of June 30:

- Total number of PPP loans: 1,655
- Total dollar amount: \$358MM

This total includes the acquisition of new, highly desired clients in our existing markets:

- Number of new client loans: 309 (19% of total PPP loans)
- Total of new client loans: \$63MM

PPP Loan Size	# of Loans	Total (\$MM)	Average Loan Size
<\$350K	1421	\$113MM	\$79K
\$350K - \$2MM	206	\$158MM	\$768K
>\$2MM	28	\$87MM	\$3MM
TOTAL	1,655	\$358MM	\$216K

QCRH Loan Relief Program (LRP) – Round 1

The QCRH LRP offered immediate payment relief to consumer and small business loan clients.

- Offered 3 months of loan payment deferrals
- Improved cash flow for clients without penalty

As of June 30:

Bank LRP participation – Round 1:

- Total number of loans: 1,466
- Total dollar amount: \$491MM
- Percentage of QCRH total loan portfolio: 11.86%

M2 Lease Funds LRP participation – Round 1:

- Total number of loans/leases: 935
- Total dollar amount: \$53MM
- Percentage of QCRH total loan portfolio: 1.2%

Bank Loan Relief Program (LRP) by Industry

A breakdown of the industries participating in the LRP in Round 1:

Industry	Amount	% of Loans in Industry Segment	% of Total Loans
All Investment Real Estate	\$250MM	17%	6.04%
Retail (Including \$24MM Automotive)	\$75MM	32%	1.81%
Consumer	\$41MM	12%	0.99%
Hotels	\$38MM	44%	0.92%
Health Care and Social Assistance	\$21MM	8%	0.51%
Construction	\$10MM	3%	0.24%
Other Services	\$10MM	10%	0.24%
Arts, Entertainment and Recreation	\$9MM	28%	0.22%
Restaurants (Limited & Full Service)	\$8MM	20%	0.19%
Manufacturing	\$5MM	4%	0.12%
Management of Companies and Enterprises	\$5MM	4%	0.12%
All Other	\$19MM	N/A	0.46%
TOTAL	\$491MM	N/A	11.86%

QCRH Loan Relief Program (LRP) – Round 2

As of July 24, we have had limited requests for a second deferral from clients. 5.4% of clients who participated in the first round have requested a second deferral.

Bank LRP participation – Round 2:

- Total number of loans: 14
- Total dollar amount: \$28MM
- Percentage of QCRH total loan portfolio: 0.68%

M2 LRP participation – Round 2:

- Total number of loans/leases: 115
- Total dollar amount: \$10MM
- Percentage of QCRH total loan portfolio: 0.24%

Industry Concentration Disclosures

Primary Industry Concentration Overview

The following industries were deemed higher risk in our commercial loan portfolio due to the COVID-19 pandemic.

As of June 30:

Industry	Amount	% of Total Loans
Hotels	\$87MM	2.10%
Restaurants	\$41MM	0.99%
Entertainment	\$31MM	0.75%
Aviation	\$0MM	0.00%
Energy	\$0MM	0.00%
TOTAL	\$159MM	3.84%

Hotel Exposure

As of June 30, QCRH hotel exposure was \$87MM, or 2.10% of total loans.

Hotel Exposure			
Loan Type	# of Loans	Amount	% of Total Loans
National Upscale/Luxury (3 with conference centers)	11	\$46MM	1.11%
National Midscale/Economy	21	\$33MM	0.80%
Independent	1	\$8MM	0.19%
TOTAL	33	\$87MM	2.10%

Overview in Our Markets

- Hotels generally have seen improvement; occupancy ranging from 35% to 45% as some youth sports activities have resumed
- Our portfolio has little reliance on conventions or large events
- Majority of hotels are top franchises with experienced operators

Restaurant Exposure

As of June 30, QCRH full and limited-service restaurant exposure was \$41MM, or 0.99% of total loans.

Restaurant Exposure			
Loan Type	# of Loans	Amount	% of Total Loans
Full-Service	81	\$18MM	0.43%
Limited-Service	65	\$23MM	0.56%
TOTAL	146	\$41MM	0.99%

Overview in Our Markets

- Most restaurants have limited seating and continue to focus on carry out or drive-thru
- Many restaurants with carry out and drive-thrus are performing very well, some even better than before the pandemic
- Some operators have reduced the size of their staff to match reduced demand

Arts & Entertainment Exposure

As of June 30, QCRH arts & entertainment exposure was \$30MM, or 0.72% of total loans.

Entertainment Exposure			
Loan Type	# of Loans	Amount	% of Total Loans
Amusement, Gambling, Recreation Industries	90	\$26MM	0.63%
Performing Arts, Spectator Sports & Related	31	\$3MM	0.07%
Museums, Historical Sites & Related	12	\$2MM	0.05%
TOTAL	133	\$31MM	0.75%

Overview in Our Markets

- Golf courses have experienced minimal impact
- Recreation centers are open with restrictions
- Many entertainment businesses have introduced online offerings, virtual tours and streaming services

Secondary Industry Concentration | Retail

As of June 30, QCRH retail exposure was \$236MM, or 5.70% of total loans.

Retail	Amount	% of Total Loans
Retail Investment CRE	\$144MM	3.47%
C&I Retail	\$45MM	1.09%
Retail Owner Occupied CRE	\$26MM	0.63%
Other	\$21MM	0.51%
TOTAL	\$236MM	5.70%

Overview in Our Markets

- Retail sales jumped 17.7% in May from a month earlier, much better than expected
- General retail activity is starting to return
- Automotive/truck/RV sales and repair performing very well and better than anticipated
- Food and beverage industry continues to be very strong

Secondary Industry Concentration | Retail Investment Commercial Real Estate

As of June 30, QCRH retail investment commercial real estate exposure was \$144MM, or 3.47% of total loans.

Retail Investment Commercial Real Estate	Number of Loans	Amount	% of Total Loans
Multi-Tenant	77	\$103MM	2.49%
Single-Tenant	36	\$37MM	0.89%
Mall	1	\$4MM	0.09%
TOTAL	114	\$144MM	3.47%

Secondary Industry Concentration | Retail Investment Commercial Real Estate

77 Multi-tenant properties with exposure of \$103MM or 2.49% of total loans.

Tenant Type	Number of Loans	Amount	% of Total Loans
Mixed	44	\$64MM	1.55%
National	12	\$26MM	0.63%
Independent	15	\$10MM	0.24%
Regional	6	\$3MM	0.07%
TOTAL	77	\$103MM	2.49%

36 Single-tenant properties with exposure of \$37MM or 0.89% of total loans.

Tenant Type	Number of Loans	Amount	% of Total Loans
National	11	\$20MM	0.48%
Independent	21	\$13MM	0.31%
Regional	4	\$4MM	0.10%
TOTAL	36	\$37MM	0.89%