D|A|DAVIDSON

First Community Corporation

FCCO - NASDAQ

Institutional Equity Research

July 25, 2022

Low-Cost Deposit Franchises Are Valuable Again; BUY

*On the heels of FCCO's 2Q22 earnings report, we are lowering our EPS estimates, mostly to reflect a lower run-rate of core fee revs and a lower base NIM. There were 2Q22 headwinds (NIM; mortgage), yet partially offset by tailwinds (strong loan growth; good cost control). There was a spike in nonaccruals stemming from one credit, although we feel more comfortable after speaking with management. We view FCCO as a name that should garner increased value at this point in the cycle from its very low-cost deposit franchise and excellent long-term track record on credit. Lowering our PT, yet reiterating **BUY**.*

Core slightly below expectations: FCCO reported 2Q22 EPS of $0.41. We estimate core EPS of $0.42, which came in 2 cents below consensus and 4 cents below our estimate. The main drivers of the core miss vs. our forecast were lower than expected core PPNR, partially offset by a more favorable than modeled provision. The core PPNR miss stemmed from lower than modeled NII and core fee revs, partially offset by lower than anticipated core expenses. There was a LQ spike in NPAs given a single $4.1M loan relationship moved to nonaccrual. For more details on FCCO's 2Q22 results, please see our earlier First Look note.

Reducing our EPS estimates: After inputting FCCO's core 2Q22 results into our model, we are lowering our 2022E EPS by 17 cents (to $1.81), our 2023E EPS by 16 cents (to $2.06), and our 2024E EPS by 16 cents (to $2.15). Main adjustments, besides the flow-through of the 2Q22 core miss, included a lower run-rate of core fee revs, a lower base NIM, and a slightly higher assumed pace of provisioning, partially offset by a lower run-rate of core expenses and a larger loan book.

Lowering PT; reiterate BUY: We are lowering our PT by $1.00 (to $22.00) given our reduced EPS estimates and a lower starting TBV/sh. Our PT assumes the shares will trade at 140% of our YE23E TBV/sh and 10.7x our 2023E EPS. On the one hand, the quarter had its share of headwinds, including some one-time pressures on NIM (keeping a lid on expansion), lower mortgage revs, a spike in nonaccrual loans, and a continued hit to TCE/TA (down to 6.12%) and TBV/sh (down 7.1% LQ) from AOCI. That said, we took note of tailwinds, including robust loan growth (+18.6% LQA), good cost control (with costs up only slightly despite the new Rock Hill, SC LPO opened in late-1Q22), and an absence of credit costs (with net recoveries recorded).

More importantly, longer-term, we continue to view FCCO as a "slow and steady wins the race" stock, as loan growth and NIM expansion will be steady (albeit not explosive), and the bank should get more credit (and value for the stock) at this point in the cycle given its very low-cost deposit franchise and its excellent long-term track record on credit.

NIM came in below expectations, albeit this mainly stemmed from 8bp of a one-time hit from a mark on certain securities and interest reversal on large loan moved to nonaccrual. With these items in the rear-view, we expect to see more NIM expansion in 3Q22 and beyond. To be fair, we don't view FCCO as the most asset sensitive of our covered banks in the immediate-term, as it has a generally high % of fixed rate loans.

Continued on next page

FY (Dec)		2021A	2022E	Previous	Cons.	2023E	Previous	Cons.
EPS	Q1 (Mar)	$0.43	**$0.44A**	-	*n.a.*	**$0.50E**	$0.54	*$0.49*
	Q2 (Jun)	$0.47	**$0.42A**	$0.46	*n.a.*	**$0.50E**	$0.54	*$0.51*
	Q3 (Sep)	$0.62	**$0.46E**	$0.53	*$0.45*	**$0.52E**	$0.57	*$0.53*
	Q4 (Dec)	$0.50	**$0.49E**	$0.55	*$0.46*	**$0.53E**	$0.57	*$0.54*
		$2.03	**$1.81E**	$1.98	*$1.78*	**$2.06E**	$2.22	*$2.02*
Price/EPS		*9.2x*	*10.3x*			*9.0x*		
Revenue ($M)	Q1 (Mar)	$13.9	**$14.1A**	-	*n.a.*	**$15.7E**	$16.5	*$15.9*
	Q2 (Jun)	$14.5	**$14.1A**	$15.0	*n.a.*	**$16.0E**	$16.9	*$16.3*
	Q3 (Sep)	$16.0	**$15.0E**	$15.7	*$15.5*	**$16.3E**	$17.2	*$16.7*
	Q4 (Dec)	$14.7	**$15.4E**	$16.3	*$15.8*	**$16.6E**	$17.4	*$16.9*
		$59.0	**$58.6E**	$61.1	*$60.2*	**$64.7E**	$68.0	*$65.7*

Buy

Price Target	**↓$22.00**
Price (7/25/22)	$18.57
Industry	FINANCIAL INSTITUTIONS

Valuation & Performance

Return on Assets (MRQ)	0.77%
ROTCE (MRQ)	11.9%
Net Interest Margin (MRQ)	2.93%
Efficiency Ratio (MRQ)	72.0%
TBV per Share (6/30/22)	$13.50
TCE/TA (6/30/22)	6.1%
Dividend	$0.52 (2.8%)

Trading Data

Shares Outstanding (M)	7.6
Market Capitalization ($M)	$140.5
52-week range	$17.55 - $23.42
Avg. Volume (3-mth.) (K)	10.2

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Company Description

Lexington, SC - First Community Corporation is the parent company of First Community Bank a +$1.6B asset community bank base in the midlands of South Carolina. First Community Bank offers a full suite of banking and financial planning/ investment advisory services to both retail and commercial clients.

Price Performance

NASDAQ: FCCO

Please refer to pages 5 - 6 of this report for detailed disclosure and certification information.

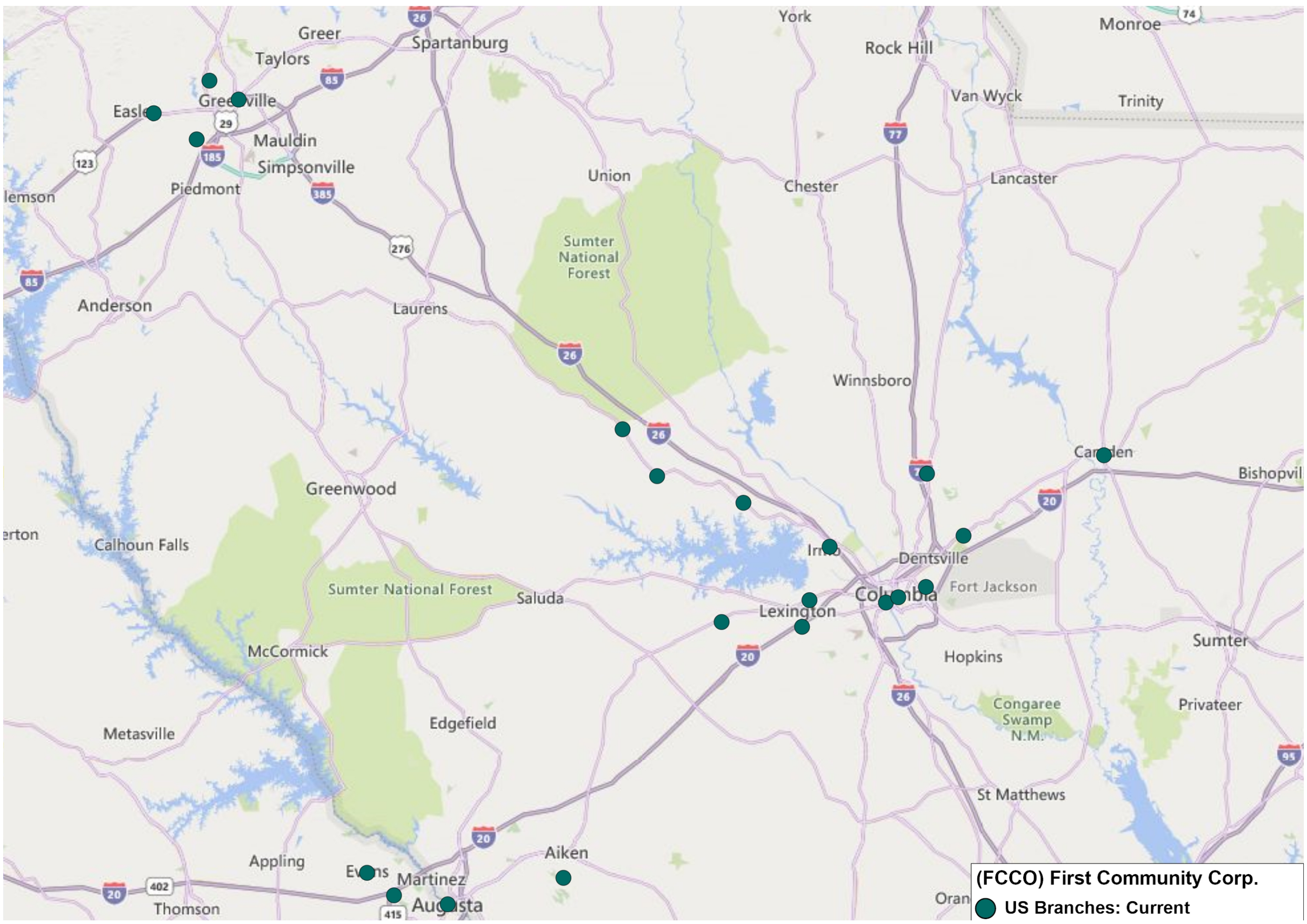
That said, longer-term, we expect to see an expanding tailwind as loans reprice over time (and new loans are priced at higher rates), and, given an outstanding low-cost deposit franchise (with cost of total deposits of only 0.09%), we suspect FCCO has a greater and longer ability to lag on the deposit pricing side. This somewhat delayed bounce to the NIM is seen in FCCO's IRR estimates for +100bp and +200bp in the first 12 months (+1.36% and +2.52%, respectively) and the second 12 months (+5.96% and +11.89%, respectively).

And, with an extremely liquid balance sheet (loans-to-deposits of 62.4%), we expect the NIM to benefit from positive mix shift in the balance sheet over time. And, even if deposits contract (which they didn't in 2Q22), we'd expect to see FCCO use remaining cash and AFS securities to fund loan growth. And, while we don't view the 2Q22 pace of loan growth (+18.6% LQA) as sustainable, we'd expect the bank to deliver high single-digit growth based on a healthy pipeline and the new Rock Hill, SC LPO (opened March 1st) set to increasingly contribute over time, partially offset by some lumpy payoffs.

Admittedly, it was a bit unnerving to see a $4M+ spike in nonaccrual loans, especially at this point in the credit cycle and with macro concerns about a looming recession. Yet, we felt more comfortable after our discussion with management. Specifically, the spike was driven entirely by a single $4.1M commercial relationship (affiliated with multi-use property attached to a minor league baseball stadium in North Augusta) being moved to nonaccrual, and the situation stemmed more from an uncooperative and dysfunctional borrowing group, as opposed to economic deterioration and stress. And, unfortunately, FCCO has dealt with this same borrowing group previously, and successfully resolved another loan tied to the group. We get the sense the loan in question is well-collateralized (with a recent appraisal), and suspect FCCO will move toward foreclosure, yet it's also very possible the borrower opts to settle before that takes place.

Otherwise, credit appears fine for now, and, while FCCO certainly wouldn't be immune to a downturn, we've historically viewed this bank as a very conservative and prudent lender, especially when looking back to how it fared in the Great Recession. The bank recorded net recoveries in 2Q22, and appears to have a healthy ALLL/loan ratio of 1.22% (with plans to adopt CECL as of January 1, 2023).

Figure 1: FCCO Branch Map



Source: S&P Capital IQ

First Community Corp. (FCCO)
($M, except Per Share Data)

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Income Statement	2020A	2021A	2022E	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
NET INTEREST INCOME (FTE)	$ 40.023	$ 45.387	$ 46.307	$ 52.256	$ 56.143	$ 10.675	$ 11.092	$ 12.456	$ 11.164	$ 10.733	$ 11.051	$ 12.011	$ 12.512	$ 12.721	$ 12.936	$ 13.167	$ 13.431	$ 13.641	$ 13.868	$ 14.151	$ 14.483
PROVISION FOR LOAN LOSSES	$ 3.663	$ 0.335	$ 0.450	$ 1.933	$ 3.360	$ 0.177	$ 0.168	$ 0.049	$ (0.059)	$ (0.125)	$ (0.070)	$ 0.307	$ 0.338	$ 0.335	$ 0.441	$ 0.522	$ 0.635	$ 0.672	$ 0.793	$ 0.894	$ 1.001
Non-Interest Income					$ -																
Deposit service charges	$ 1.121	$ 0.977	$ 1.067	$ 1.137	$ 1.213	$ 0.246	$ 0.212	$ 0.257	$ 0.262	$ 0.265	$ 0.262	$ 0.267	$ 0.273	$ 0.277	$ 0.284	$ 0.286	$ 0.291	$ 0.295	$ 0.302	$ 0.305	$ 0.310
Mortgage banking income	$ 5.557	$ 4.319	$ 2.201	$ 1.812	$ 1.888	$ 0.990	$ 1.143	$ 1.147	$ 1.039	$ 0.839	$ 0.481	$ 0.447	$ 0.434	$ 0.425	$ 0.459	$ 0.473	$ 0.454	$ 0.436	$ 0.480	$ 0.499	$ 0.474
Invest. Advisory fees & commissions	$ 2.720	$ 3.995	$ 4.559	$ 4.739	$ 5.360	$ 0.877	$ 0.957	$ 1.040	$ 1.121	$ 1.198	$ 1.195	$ 1.099	$ 1.066	$ 1.104	$ 1.159	$ 1.217	$ 1.259	$ 1.291	$ 1.330	$ 1.356	$ 1.383
Gain (loss) on sale of other assets	$ 0.147	$ 0.077	$ -	$ -	$ -	$ 0.077	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ 3.814	$ 4.349	$ 4.468	$ 4.740	$ 4.933	$ 1.106	$ 1.106	$ 1.060	$ 1.077	$ 1.068	$ 1.111	$ 1.133	$ 1.156	$ 1.167	$ 1.179	$ 1.191	$ 1.203	$ 1.215	$ 1.227	$ 1.239	$ 1.252
TOTAL NON-INTEREST INCOME (core)	$ 13.359	$ 13.717	$ 12.295	$ 12.428	$ 13.394	$ 3.296	$ 3.418	$ 3.504	$ 3.499	$ 3.370	$ 3.049	$ 2.947	$ 2.929	$ 2.973	$ 3.081	$ 3.167	$ 3.207	$ 3.237	$ 3.339	$ 3.400	$ 3.419
OPERATING REVENUE	$ 53.382	$ 58.996	$ 58.602	$ 64.684	$ 69.538	$ 13.863	$ 14.510	$ 15.960	$ 14.663	$ 14.103	$ 14.100	$ 14.959	$ 15.441	$ 15.694	$ 16.017	$ 16.335	$ 16.638	$ 16.878	$ 17.207	$ 17.551	$ 17.902
Noninterest Expense																					
Salaries & employee benefits	$ 24.026	$ 24.494	$ 24.783	$ 26.008	$ 27.594	$ 5.964	$ 5.948	$ 6.394	$ 6.188	$ 6.119	$ 6.175	$ 6.206	$ 6.283	$ 6.346	$ 6.505	$ 6.537	$ 6.619	$ 6.709	$ 6.910	$ 6.944	$ 7.031
Occupancy	$ 2.709	$ 2.947	$ 3.083	$ 3.300	$ 3.458	$ 0.730	$ 0.734	$ 0.743	$ 0.740	$ 0.705	$ 0.786	$ 0.794	$ 0.798	$ 0.810	$ 0.820	$ 0.830	$ 0.841	$ 0.851	$ 0.860	$ 0.868	$ 0.879
Equipment	$ 1.237	$ 1.296	$ 1.326	$ 1.370	$ 1.429	$ 0.275	$ 0.338	$ 0.336	$ 0.347	$ 0.332	$ 0.329	$ 0.331	$ 0.333	$ 0.337	$ 0.341	$ 0.344	$ 0.348	$ 0.352	$ 0.355	$ 0.359	$ 0.363
Marketing & public relations	$ 1.043	$ 1.173	$ 1.690	$ 1.908	$ 2.061	$ 0.396	$ 0.313	$ 0.140	$ 0.324	$ 0.361	$ 0.446	$ 0.433	$ 0.450	$ 0.472	$ 0.482	$ 0.467	$ 0.486	$ 0.510	$ 0.521	$ 0.505	$ 0.525
FDIC assessment	$ 0.404	$ 0.618	$ 0.445	$ 0.420	$ 0.420	$ 0.169	$ 0.146	$ 0.189	$ 0.114	$ 0.130	$ 0.105	$ 0.105	$ 0.105	$ 0.105	$ 0.105	$ 0.105	$ 0.105	$ 0.105	$ 0.105	$ 0.105	$ 0.105
Amortization of intangibles	$ 0.363	$ 0.201	$ 0.158	$ 0.153	$ 0.147	$ 0.057	$ 0.052	$ 0.052	$ 0.040	$ 0.039	$ 0.040	$ 0.040	$ 0.039	$ 0.039	$ 0.038	$ 0.038	$ 0.038	$ 0.037	$ 0.037	$ 0.037	$ 0.036
Other operating expenses	$ 7.551	$ 8.367	$ 9.158	$ 9.714	$ 10.260	$ 1.920	$ 2.292	$ 1.993	$ 2.162	$ 2.221	$ 2.278	$ 2.312	$ 2.347	$ 2.382	$ 2.412	$ 2.442	$ 2.479	$ 2.516	$ 2.547	$ 2.579	$ 2.618
Noninterest Expense, Ex-Credit	$ 37.333	$ 39.096	$ 40.642	$ 42.873	$ 45.368	$ 9.511	$ 9.823	$ 9.847	$ 9.915	$ 9.907	$ 10.159	$ 10.221	$ 10.355	$ 10.492	$ 10.703	$ 10.764	$ 10.915	$ 11.080	$ 11.335	$ 11.397	$ 11.557
OREO expense	$ 0.201	$ 0.105	$ 0.175	$ 0.194	$ 0.194	$ 0.029	$ 0.055	$ 0.058	$ (0.037)	$ 0.047	$ 0.029	$ 0.050	$ 0.049	$ 0.049	$ 0.049	$ 0.049	$ 0.049	$ 0.049	$ 0.049	$ 0.049	$ 0.049
Write-down of OREO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss (gain) on sale of OREO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NONINTEREST EXPENSE (core)	$ 37.534	$ 39.201	$ 40.816	$ 43.067	$ 45.562	$ 9.540	$ 9.878	$ 9.905	$ 9.878	$ 9.954	$ 10.188	$ 10.271	$ 10.404	$ 10.540	$ 10.751	$ 10.813	$ 10.963	$ 11.128	$ 11.383	$ 11.446	$ 11.605
Pre-Tax Operating Income	$ 12.185	$ 19.460	$ 17.336	$ 19.684	$ 20.616	$ 4.146	$ 4.464	$ 6.006	$ 4.844	$ 4.274	$ 3.982	$ 4.381	$ 4.698	$ 4.819	$ 4.825	$ 5.000	$ 5.040	$ 5.078	$ 5.031	$ 5.211	$ 5.295
Pre-Tax, Pre-Provision Operating Income	$ 15.848	$ 19.795	$ 17.786	$ 21.617	$ 23.975	$ 4.323	$ 4.632	$ 6.055	$ 4.785	$ 4.149	$ 3.912	$ 4.688	$ 5.037	$ 5.154	$ 5.266	$ 5.522	$ 5.675	$ 5.749	$ 5.824	$ 6.105	$ 6.297
Pre-Tax, Pre-Credit Costs Operating Income	$ 16.049	$ 19.900	$ 17.960	$ 21.811	$ 24.169	$ 4.352	$ 4.687	$ 6.113	$ 4.748	$ 4.196	$ 3.941	$ 4.738	$ 5.085	$ 5.202	$ 5.314	$ 5.570	$ 5.724	$ 5.798	$ 5.873	$ 6.154	$ 6.345
Gain (Loss) on sale of securities	$ 0.099	$ -	$ (0.045)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (0.045)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Operating Revenues	$ 0.311	$ 0.187	$ 0.009	$ -	$ -	$ -	$ -	$ 0.060	$ 0.127	$ 0.004	$ 0.005	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Merger Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pre-Tax Income	$ 12.595	$ 19.647	$ 17.300	$ 19.684	$ 20.616	$ 4.146	$ 4.464	$ 6.066	$ 4.971	$ 4.278	$ 3.942	$ 4.381	$ 4.698	$ 4.819	$ 4.825	$ 5.000	$ 5.040	$ 5.078	$ 5.031	$ 5.211	$ 5.295
Income Taxes	$ 2.496	$ 4.182	$ 3.462	$ 4.035	$ 4.226	$ 0.891	$ 0.921	$ 1.318	$ 1.052	$ 0.789	$ 0.812	$ 0.898	$ 0.963	$ 0.988	$ 0.989	$ 1.025	$ 1.033	$ 1.041	$ 1.031	$ 1.068	$ 1.086
Tax Rate	19.82%	21.29%	20.01%	20.50%	20.50%	21.5%	20.6%	21.7%	21.2%	18.4%	20.6%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%
Core Tax Rate	19.66%	21.25%	20.77%	20.50%	20.50%	21.5%	20.6%	21.7%	21.2%	21.5%	20.6%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%
Net Income from Continuing Operations	$ 10.099	$ 15.465	$ 13.837	$ 15.649	$ 16.389	$ 3.255	$ 3.543	$ 4.748	$ 3.919	$ 3.489	$ 3.130	$ 3.483	$ 3.735	$ 3.831	$ 3.836	$ 3.975	$ 4.007	$ 4.037	$ 4.000	$ 4.143	$ 4.210
Net Income from Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income	$ 10.099	$ 15.465	$ 13.837	$ 15.649	$ 16.389	$ 3.255	$ 3.543	$ 4.748	$ 3.919	$ 3.489	$ 3.130	$ 3.483	$ 3.735	$ 3.831	$ 3.836	$ 3.975	$ 4.007	$ 4.037	$ 4.000	$ 4.143	$ 4.210
Preferred Dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gain (Loss) Attributable to Noncontrolling Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET INCOME AVAILABLE TO COMMON	$ 10.099	$ 15.465	$ 13.837	$ 15.649	$ 16.389	$ 3.255	$ 3.543	$ 4.748	$ 3.919	$ 3.489	$ 3.130	$ 3.483	$ 3.735	$ 3.831	$ 3.836	$ 3.975	$ 4.007	$ 4.037	$ 4.000	$ 4.143	$ 4.210

Shares / Per Share Metrics	2020A	2021A	2022E	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Earnings Per Share (EPS) - Reported	$ 1.35	$ 2.05	$ 1.82	$ 2.06	$ 2.15	$ 0.43	$ 0.47	$ 0.63	$ 0.52	$ 0.46	$ 0.41	$ 0.46	$ 0.49	$ 0.50	$ 0.50	$ 0.52	$ 0.53	$ 0.53	$ 0.53	$ 0.54	$ 0.55
Core EPS	**$ 1.30**	**$ 2.03**	**$ 1.81**	**$ 2.06**	**$ 2.15**	**$ 0.43**	**$ 0.47**	**$ 0.62**	**$ 0.50**	**$ 0.44**	**$ 0.42**	**$ 0.46**	**$ 0.49**	**$ 0.50**	**$ 0.50**	**$ 0.52**	**$ 0.53**	**$ 0.53**	**$ 0.53**	**$ 0.54**	**$ 0.55**
Core EPS Growth (Annualized)	-10.8%	55.5%	-11.0%	13.9%	4.7%	-22.0%	34.5%	129.1%	-75.3%	-50.0%	-23.7%	40.7%	28.9%	10.3%	0.5%	14.6%	3.2%	3.0%	-3.6%	14.3%	6.4%
PTPP/Avg. Shares	$ 2.12	$ 2.62	$ 2.34	$ 2.84	$ 3.15	$ 0.57	$ 0.61	$ 0.80	$ 0.63	$ 0.55	$ 0.51	$ 0.62	$ 0.66	$ 0.68	$ 0.69	$ 0.73	$ 0.75	$ 0.76	$ 0.77	$ 0.80	$ 0.83
Avg. Diluted Shares o/s	7.480	7.546	7.604	7.607	7.607	7.523	7.537	7.560	7.565	7.595	7.607	7.607	7.607	7.607	7.607	7.607	7.607	7.607	7.607	7.607	7.607
EOP Shares	7.500	7.549	7.567	7.567	7.567	7.525	7.540	7.544	7.549	7.560	7.567	7.567	7.567	7.567	7.567	7.567	7.567	7.567	7.567	7.567	7.567
Dividend per Share	$ 0.48	$ 0.49	$ 0.52	$ 0.52	$ 0.52	$ 0.12	$ 0.12	$ 0.12	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.13
Dividend Payout Ratio	35.6%	23.9%	28.6%	25.3%	24.1%	27.9%	25.5%	19.0%	25.0%	28.3%	31.7%	28.4%	26.5%	25.8%	25.8%	24.9%	24.7%	24.5%	24.7%	23.9%	23.5%
TBV / Share	$ 16.08	$ 16.62	$ 14.19	$ 15.74	$ 17.38	$ 15.55	$ 16.22	$ 16.37	$ 16.62	$ 14.53	$ 13.50	$ 13.83	$ 14.19	$ 14.57	$ 14.94	$ 15.34	$ 15.74	$ 16.14	$ 16.54	$ 16.96	$ 17.38

Profitability Metrics	2020A	2021A	2022E	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
NIM	3.34%	3.20%	3.01%	3.30%	3.40%	3.23%	3.20%	3.47%	3.01%	2.91%	2.93%	3.11%	3.22%	3.25%	3.29%	3.32%	3.34%	3.37%	3.39%	3.41%	3.43%
Core NIM	3.35%	3.08%	3.04%	3.30%	3.40%	3.16%	3.11%	3.08%	2.95%	2.90%	2.93%	3.11%	3.22%	3.25%	3.29%	3.32%	3.34%	3.37%	3.39%	3.41%	3.43%
Core ROAA	0.76%	1.01%	0.83%	0.92%	0.93%	0.91%	0.94%	1.22%	0.96%	0.83%	0.77%	0.84%	0.89%	0.91%	0.91%	0.93%	0.93%	0.93%	0.92%	0.94%	0.94%
Core PTPP ROAA	1.22%	1.30%	1.08%	1.27%	1.36%	1.20%	1.23%	1.57%	1.20%	1.02%	0.95%	1.13%	1.21%	1.23%	1.25%	1.30%	1.32%	1.33%	1.33%	1.38%	1.40%
Core ROAE	7.60%	11.12%	11.13%	12.17%	11.65%	9.60%	10.48%	13.39%	10.90%	9.78%	10.90%	11.72%	12.30%	12.33%	12.07%	12.23%	12.05%	11.87%	11.50%	11.65%	11.58%
Core ROTCE	8.64%	12.62%	12.69%	13.83%	13.09%	10.96%	11.85%	15.30%	12.27%	11.41%	11.93%	13.48%	14.10%	14.09%	13.74%	13.88%	13.63%	13.39%	12.94%	13.08%	12.96%
Core ROTCE (ex-Reserve Release)	5.83%	12.09%	12.63%	13.84%	13.09%	10.50%	11.65%	14.31%	11.88%	11.09%	11.86%	13.48%	14.10%	14.09%	13.74%	13.88%	13.63%	13.39%	12.94%	13.08%	12.96%
Core Efficiency	70.3%	66.4%	69.6%	66.6%	65.5%	68.6%	67.7%	61.7%	67.6%	70.2%	72.0%	68.7%	67.4%	67.2%	67.1%	66.2%	65.9%	65.9%	66.2%	65.2%	64.8%
Core Fee Income / Operating Revs	25.0%	23.3%	21.0%	19.2%	19.3%	23.8%	23.6%	22.0%	23.9%	23.9%	21.6%	19.7%	19.0%	18.9%	19.2%	19.4%	19.3%	19.2%	19.4%	19.4%	19.1%

First Community Corp. (FCCO)
($M, except Per Share Data)

Kevin P. Fitzsimmons 856-994-6062

Income Statement	2020A	2021A	2022E	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Average Balance Sheet	2020A	2021A	2022E	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Avg. PPP	$ 35.7	$ 35.0	$ 0.3	$ -	$ -	$ 52.0	$ 54.5	$ 28.2	$ 5.3	$ 0.9	$ 0.3	$ 0.1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Avg. Loans (ex-PPP)	$ 799.2	$ 854.0	$ 910.8	$ 980.2	$ 1,052.1	$ 834.3	$ 841.1	$ 865.7	$ 874.7	$ 875.5	$ 896.4	$ 926.4	$ 944.9	$ 959.0	$ 972.2	$ 986.8	$ 1,002.9	$ 1,020.4	$ 1,039.6	$ 1,061.7	$ 1,086.9
Avg. Total Loans	$ 834.8	$ 889.0	$ 911.1	$ 980.2	$ 1,052.1	$ 886.4	$ 895.6	$ 893.9	$ 880.0	$ 876.3	$ 896.6	$ 926.5	$ 944.9	$ 959.0	$ 972.2	$ 986.8	$ 1,002.9	$ 1,020.4	$ 1,039.6	$ 1,061.7	$ 1,086.9
Avg. Securities	$ 300.8	$ 456.3	$ 569.6	$ 570.9	$ 568.8	$ 373.3	$ 430.9	$ 488.5	$ 532.4	$ 571.8	$ 560.4	$ 571.6	$ 574.5	$ 573.0	$ 571.6	$ 570.2	$ 568.8	$ 568.8	$ 568.8	$ 568.8	$ 568.8
Avg. Other Earning Assets	$ 62.8	$ 73.4	$ 56.6	$ 32.6	$ 29.8	$ 79.3	$ 77.8	$ 58.5	$ 78.1	$ 67.2	$ 72.8	$ 49.2	$ 37.1	$ 33.2	$ 31.0	$ 30.8	$ 35.4	$ 31.1	$ 27.2	$ 27.7	$ 33.1
Avg. Earning Assets	$ 1,198.5	$ 1,418.7	$ 1,537.3	$ 1,583.8	$ 1,650.7	$ 1,339.1	$ 1,404.2	$ 1,441.0	$ 1,490.5	$ 1,515.4	$ 1,529.8	$ 1,547.3	$ 1,556.5	$ 1,565.3	$ 1,574.9	$ 1,587.8	$ 1,607.0	$ 1,620.3	$ 1,635.5	$ 1,658.2	$ 1,688.7
Avg. Total Assets	$ 1,295.7	$ 1,519.9	$ 1,649.4	$ 1,697.0	$ 1,763.0	$ 1,435.3	$ 1,507.7	$ 1,542.8	$ 1,593.7	$ 1,622.3	$ 1,643.9	$ 1,661.2	$ 1,670.1	$ 1,678.8	$ 1,688.2	$ 1,701.0	$ 1,719.9	$ 1,733.0	$ 1,748.0	$ 1,770.3	$ 1,800.6
Avg. Deposits	$ 1,087.1	$ 1,292.2	$ 1,423.7	$ 1,469.4	$ 1,523.9	$ 1,208.1	$ 1,285.1	$ 1,312.6	$ 1,363.2	$ 1,374.8	$ 1,428.0	$ 1,442.9	$ 1,449.3	$ 1,455.3	$ 1,462.1	$ 1,472.1	$ 1,488.3	$ 1,498.4	$ 1,510.4	$ 1,529.8	$ 1,556.9
Avg. Total Borrowings	$ 66.8	$ 77.2	$ 91.7	$ 99.5	$ 112.0	$ 78.3	$ 75.4	$ 77.8	$ 77.1	$ 97.5	$ 87.1	$ 89.7	$ 92.4	$ 95.2	$ 98.0	$ 101.0	$ 104.0	$ 107.1	$ 110.3	$ 113.6	$ 117.0
Avg. IB-Liabilities	$ 810.0	$ 946.5	$ 1,049.6	$ 1,088.8	$ 1,145.7	$ 896.5	$ 940.2	$ 959.9	$ 989.6	$ 1,023.0	$ 1,048.8	$ 1,060.4	$ 1,066.0	$ 1,072.4	$ 1,080.8	$ 1,092.6	$ 1,109.4	$ 1,120.2	$ 1,133.1	$ 1,152.0	$ 1,177.7
Avg. Total Liabilities	$ 1,166.8	$ 1,382.0	$ 1,528.2	$ 1,581.7	$ 1,648.7	$ 1,299.7	$ 1,372.5	$ 1,402.4	$ 1,453.5	$ 1,485.0	$ 1,527.8	$ 1,545.3	$ 1,554.5	$ 1,563.3	$ 1,572.8	$ 1,585.8	$ 1,605.0	$ 1,618.3	$ 1,633.5	$ 1,656.2	$ 1,686.7
Avg. Shareholders Equity	$ 128.8	$ 137.8	$ 123.4	$ 128.6	$ 140.7	$ 135.6	$ 135.2	$ 140.4	$ 140.2	$ 137.2	$ 116.1	$ 118.8	$ 121.5	$ 124.3	$ 127.1	$ 130.0	$ 133.0	$ 136.1	$ 139.1	$ 142.2	$ 145.4
Avg. Tangible Common Equity	$ 113.3	$ 121.4	$ 108.2	$ 113.1	$ 125.2	$ 118.8	$ 119.6	$ 122.9	$ 124.5	$ 117.7	$ 106.0	$ 103.4	$ 106.0	$ 108.8	$ 111.6	$ 114.6	$ 117.6	$ 120.6	$ 123.6	$ 126.7	$ 129.9
EOP Balance Sheet	2020A	2021A	2022E	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
PPP	$ 42.2	$ 1.5	$ -	$ -	$ -	$ 61.8	$ 47.2	$ 9.1	$ 1.5	$ 0.3	$ 0.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loans (ex-PPP)	$ 801.9	$ 862.2	$ 953.1	$ 1,011.6	$ 1,100.3	$ 807.2	$ 831.1	$ 872.4	$ 862.2	$ 875.5	$ 916.1	$ 936.7	$ 953.1	$ 965.0	$ 979.5	$ 994.2	$ 1,011.6	$ 1,029.3	$ 1,049.9	$ 1,073.5	$ 1,100.3
Total Loans	$ 844.2	$ 863.7	$ 953.1	$ 1,011.6	$ 1,100.3	$ 869.1	$ 878.3	$ 881.5	$ 863.7	$ 875.8	$ 916.3	$ 936.7	$ 953.1	$ 965.0	$ 979.5	$ 994.2	$ 1,011.6	$ 1,029.3	$ 1,049.9	$ 1,073.5	$ 1,100.3
Total Assets	$ 1,395.4	$ 1,584.5	$ 1,775.5	$ 1,884.5	$ 2,042.4	$ 1,492.5	$ 1,515.0	$ 1,560.3	$ 1,584.5	$ 1,652.3	$ 1,684.8	$ 1,741.0	$ 1,775.5	$ 1,802.1	$ 1,826.9	$ 1,854.3	$ 1,884.5	$ 1,917.4	$ 1,953.4	$ 1,995.0	$ 2,042.4
Non-IB Deposits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Deposits	$ 1,189.4	$ 1,361.3	$ 1,490.9	$ 1,531.0	$ 1,601.6	$ 1,271.4	$ 1,289.9	$ 1,333.6	$ 1,361.3	$ 1,430.7	$ 1,469.0	$ 1,484.3	$ 1,490.9	$ 1,497.1	$ 1,504.0	$ 1,514.4	$ 1,531.0	$ 1,541.4	$ 1,553.8	$ 1,573.7	$ 1,601.6
Total Liabilities	$ 1,245.3	$ 1,430.5	$ 1,582.9	$ 1,634.3	$ 1,717.5	$ 1,346.7	$ 1,365.3	$ 1,408.4	$ 1,430.5	$ 1,513.8	$ 1,555.7	$ 1,573.6	$ 1,582.9	$ 1,591.8	$ 1,601.6	$ 1,614.8	$ 1,634.3	$ 1,647.8	$ 1,663.4	$ 1,686.4	$ 1,717.5
Liquidity Ratios																					
Loans / Deposits	71.0%	63.4%	63.9%	66.1%	68.7%	68.4%	68.1%	66.1%	63.4%	61.2%	62.4%	63.1%	63.9%	64.5%	65.1%	65.6%	66.1%	66.8%	67.6%	68.2%	68.7%
Avg. Earning Assets / Avg. Assets	92.5%	93.3%	93.2%	93.3%	93.6%	93.3%	93.1%	93.4%	93.5%	93.4%	93.1%	93.1%	93.2%	93.2%	93.3%	93.3%	93.4%	93.5%	93.6%	93.7%	93.8%
Avg. Borrowings / Avg. Liabilities	5.7%	5.6%	6.0%	6.3%	6.8%	6.0%	5.5%	5.6%	5.3%	6.6%	5.7%	5.8%	5.9%	6.1%	6.2%	6.4%	6.5%	6.6%	6.8%	6.9%	6.9%
Capital Analysis	2020A	2021A	2022E	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Beginning Total Equity												$ 117.6	$ 120.1	$ 122.8	$ 125.7	$ 128.5	$ 131.5	$ 134.6	$ 137.6	$ 140.6	$ 143.8
+ Net Income												$ 3.5	$ 3.7	$ 3.8	$ 3.8	$ 4.0	$ 4.0	$ 4.0	$ 4.0	$ 4.1	$ 4.2
- Dividends												$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0
- Cost of Share Repurchases												$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
+ Shares Issued (M&A less cash paid; raises)												$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
+ Net Other																					
Ending Shareholders Equity	$ 136.3	$ 141.0	$ 122.8	$ 134.6	$ 147.0	$ 132.7	$ 137.9	$ 139.1	$ 141.0	$ 125.4	$ 117.6	$ 120.1	$ 122.8	$ 125.7	$ 128.5	$ 131.5	$ 134.6	$ 137.6	$ 140.6	$ 143.8	$ 147.0
Less: Intangible Assets	$ 15.8	$ 15.6	$ 15.5	$ 15.5	$ 15.5	$ 15.7	$ 15.6	$ 15.6	$ 15.6	$ 15.5	$ 15.5	$ 15.5	$ 15.5	$ 15.5	$ 15.5	$ 15.5	$ 15.5	$ 15.5	$ 15.5	$ 15.5	$ 15.5
Less: Preferred Equity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tangible Common Equity	$ 120.6	$ 125.4	$ 107.4	$ 119.1	$ 131.5	$ 117.0	$ 122.3	$ 123.5	$ 125.4	$ 109.9	$ 102.1	$ 104.6	$ 107.4	$ 110.2	$ 113.1	$ 116.1	$ 119.1	$ 122.1	$ 125.1	$ 128.3	$ 131.5
Tangible Assets	$ 1,379.6	$ 1,569.0	$ 1,760.1	$ 1,869.0	$ 2,026.9	$ 1,476.8	$ 1,499.3	$ 1,544.7	$ 1,569.0	$ 1,636.8	$ 1,669.3	$ 1,725.5	$ 1,760.1	$ 1,786.6	$ 1,811.4	$ 1,838.8	$ 1,869.0	$ 1,902.0	$ 1,937.9	$ 1,979.5	$ 2,026.9
Tier 1 Capital						$ 122.9	$ 125.7	$ 129.7	$ 129.7	$ 135.6	$ 137.9	$ 140.4	$ 143.16	$ 146.0	$ 148.9	$ 151.9	$ 154.88	$ 157.9	$ 160.9	$ 164.1	$ 167.33
Total Capital						$ 133.4	$ 136.4	$ 140.8	$ 140.8	$ 146.6	$ 149.1	$ 151.6	$ 154.38	$ 157.2	$ 160.1	$ 163.1	$ 166.10	$ 169.1	$ 172.2	$ 175.3	$ 178.55
CET-1						$ 122.9	$ 125.7	$ 129.7	$ 129.7	$ 135.6	$ 137.9	$ 140.4	$ 143.16	$ 146.0	$ 148.9	$ 151.9	$ 154.88	$ 157.9	$ 160.9	$ 164.1	$ 167.33
Risk Weighted Assets						$ 1,114.2	$ 1,131.0	$ 1,164.8	$ 1,182.9	$ 975.9	$ 1,023.8	$ 1,058.0	$ 1,078.95	$ 1,095.1	$ 1,110.2	$ 1,126.8	$ 1,145.15	$ 1,165.2	$ 1,187.1	$ 1,212.3	$ 1,241.10
TBV / Share (calc)	$ 16.08	$ 16.62	$ 14.19	$ 15.74	$ 17.38	$ 15.55	$ 16.22	$ 16.37	$ 16.62	$ 14.53	$ 13.50	$ 13.83	$ 14.19	$ 14.57	$ 14.94	$ 15.34	$ 15.74	$ 16.14	$ 16.54	$ 16.96	$ 17.38
Shares Repurchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Avg. Share Effect of Shares Issued																					
Capital Ratios																					
Total Capital / Risk Weighted Assets	13.94%	11.90%	14.31%	14.50%	14.39%	14.26%	12.06%	12.08%	11.90%	15.02%	14.57%	14.33%	14.31%	14.36%	14.42%	14.47%	14.50%	14.52%	14.50%	14.46%	14.39%
Tier-1 / Risk Weighted Assets	12.83%	10.97%	13.27%	13.52%	13.48%	13.13%	11.12%	11.14%	10.97%	13.89%	13.47%	13.27%	13.27%	13.33%	13.41%	13.48%	13.52%	13.55%	13.56%	13.54%	13.48%
Leverage Ratio	8.80%	8.22%	8.65%	9.09%	9.37%	8.70%	8.43%	8.51%	8.22%	8.46%	8.34%	8.53%	8.65%	8.78%	8.90%	9.01%	9.09%	9.20%	9.29%	9.35%	9.37%
CET-1 / Risk Weighted Assets	12.83%	10.97%	13.27%	13.52%	13.48%	13.13%	11.12%	11.14%	10.97%	13.89%	13.47%	13.27%	13.27%	13.33%	13.41%	13.48%	13.52%	13.55%	13.56%	13.54%	13.48%
TCE/TA	8.74%	8.00%	6.10%	6.37%	6.49%	7.92%	8.16%	8.00%	8.00%	6.71%	6.12%	6.06%	6.10%	6.17%	6.24%	6.31%	6.37%	6.42%	6.46%	6.48%	6.49%
Asset Quality	2020A	2021A	2022E	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Provision / Avg. Loans (ann'l)	0.44%	0.04%	0.05%	0.20%	0.32%	0.08%	0.08%	0.02%	-0.03%	-0.06%	-0.03%	0.13%	0.14%	0.14%	0.18%	0.21%	0.25%	0.26%	0.31%	0.34%	0.37%
NCOs / Avg. Loans (ann'l %)	-0.01%	-0.05%	0.01%	0.13%	0.22%	0.00%	0.04%	-0.15%	-0.10%	0.00%	-0.04%	0.03%	0.06%	0.08%	0.11%	0.14%	0.17%	0.18%	0.21%	0.23%	0.25%
Assumed ALLL for New Loans												1.15%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Assumed Add/Release from ALLL												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected NCOs ($)												$ 0.069	$ 0.142	$ 0.192	$ 0.267	$ 0.345	$ 0.426	$ 0.459	$ 0.546	$ 0.610	$ 0.679
Provision for New Loans												$ 0.237	$ 0.197	$ 0.143	$ 0.174	$ 0.176	$ 0.209	$ 0.212	$ 0.247	$ 0.283	$ 0.322
Add/Release from ALLL												$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Required Provision												$ 0.307	$ 0.338	$ 0.335	$ 0.441	$ 0.522	$ 0.635	$ 0.672	$ 0.793	$ 0.894	$ 1.001
Beginning ALLL												$ 11.220	$ 11.457	$ 11.654	$ 11.797	$ 11.970	$ 12.147	$ 12.355	$ 12.568	$ 12.815	$ 13.098
- NCOs												$ 0.069	$ 0.142	$ 0.192	$ 0.267	$ 0.345	$ 0.426	$ 0.459	$ 0.546	$ 0.610	$ 0.679
+ Provision												$ 0.307	$ 0.338	$ 0.335	$ 0.441	$ 0.522	$ 0.635	$ 0.672	$ 0.793	$ 0.894	$ 1.001
Ending ALLL	$ 10.389	$ 11.179	$ 11.654	$ 12.355	$ 13.420	$ 10.563	$ 10.638	$ 11.025	$ 11.179	$ 11.063	$ 11.220	$ 11.457	$ 11.654	$ 11.797	$ 11.970	$ 12.147	$ 12.355	$ 12.568	$ 12.815	$ 13.098	$ 13.420
ALLL / Loans	1.23%	1.29%	1.22%	1.22%	1.22%	1.22%	1.21%	1.25%	1.29%	1.26%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%
ALLL / Loans (ex-PPP)	1.30%	1.30%	1.22%	1.22%	1.22%	1.31%	1.28%	1.26%	1.30%	1.26%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%
Provision for Loan Losses	$ 3.663	$ 0.335	$ 0.450	$ 1.933	$ 3.360	$ 0.177	$ 0.168	$ 0.049	$ (0.059)	$ (0.125)	$ (0.070)	$ 0.307	$ 0.338	$ 0.335	$ 0.441	$ 0.522	$ 0.635	$ 0.672	$ 0.793	$ 0.894	$ 1.001
Net Charge-Offs	$ (0.120)	$ (0.456)	$ 0.110	$ 1.231	$ 2.295	$ 0.002	$ 0.093	$ (0.338)	$ (0.213)	$ (0.008)	$ (0.093)	$ 0.069	$ 0.142	$ 0.192	$ 0.267	$ 0.345	$ 0.426	$ 0.459	$ 0.546	$ 0.610	$ 0.679
Excess Provision (LLP less NCOs)	$ 3.783	$ 0.791	$ 0.340	$ 0.702	$ 1.065	$ 0.175	$ 0.075	$ 0.387	$ 0.154	$ (0.117)	$ 0.023	$ 0.237	$ 0.197	$ 0.143	$ 0.174	$ 0.176	$ 0.209	$ 0.212	$ 0.247	$ 0.283	$ 0.322

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Potential Risks

- Significant economic deterioration in the bank's core markets
- Unanticipated deterioration in credit quality
- Increasing competitive pressure on loan pricing - implying headwinds for balance sheet growth and NIM
- NIM compression stemming from a flat or inverted yield curve and/or the Fed adopting a less favorable stance on short-term rates
- M&A related risks, including execution or elevated pricing, resulting in a drag on profitability metrics

Required Disclosures

D.A. Davidson & Co. makes a market in First Community Corporation.

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Rating Information
D.A. Davidson & Co.'s Institutional Research Rating Scale Definitions (maintained since October 10, 2017); information regarding our previous definitions is available upon request:
BUY: Expected to produce a total return of over 15% on a risk adjusted basis over the next 12-18 months
NEUTRAL: Expected to produce a total return of -15% to +15% on a risk adjusted basis over the next 12-18 months
UNDERPERFORM: Expected to lose value of over 15% on a risk adjusted basis over the next 12-18 months

Rating Distribution (as of 6/30/22)	Coverage Universe Distribution			Investment Banking Distribution		
	IR	WMR	Combined	IR	WMR	Combined
BUY (Buy)	69%	85%	70%	10%	0%	9%
NEUTRAL (Hold)	30%	13%	29%	1%	0%	1%
UNDERPERFORM (Sell)	1%	2%	1%	0%	0%	0%

IR denotes Institutional Research; WMR denotes Wealth Management Research whose rating scale is Buy/Add, Neutral, Sell/Reduce. Investment Banking Distribution denotes companies from whom D.A. Davidson & Co. has received compensation in the last 12 months.

Target prices are our Institutional Research Department's evaluation of price potential over the next 12 months, based upon our assessment of future earnings and cash flow, comparable company valuations, growth prospects and other financial criteria. Certain risks may impede achievement of these price targets including, but not limited to, broader market and macroeconomic fluctuations and unforeseen changes in the subject company's fundamentals or business trends.

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Other Companies Mentioned in this Report

Company Name	Ticker	Rating	Price
First Community Corporation	FCCO	BUY	$18.57