First Community Corporation

Institutional Equity Research

FCCO - NASDAQ

April 26, 2021

Long-Term Tailwinds in the Midlands and Upstate of SC; BUY

*On the heels of FCCO's 1Q21 earnings report, we're increasing our EPS estimates and reiterating our **BUY**. We lowered our PT, mainly owing to the shares being pressured by potential exclusion from the Russell 2K. That said, we came away from the 1Q21 earnings report, and our discussion with management, with an improved outlook on credit, and continue to believe the shares benefit from several longer-term positives, while at the same time trading at an intriguing valuation for investors with patience.*

Slight beat vs. Street: FCCO reported 1Q21 EPS of $0.43, which we consider as core. This came in a penny above the Street consensus of $0.42, yet a penny shy of our estimate of $0.44. The slight miss vs. our forecast stemmed from lower than modeled PPNR, partially offset by a lower than expected provision for loan losses. The PPNR miss was driven by lower than anticipated NII and core fee revs, partially offset by better than modeled core expenses. For more details on FCCO's 1Q21 results, please see our earlier First Look note.

Increasing our EPS estimates: After inputting FCCO's core 1Q21 results into our model and fine-tuning our assumptions, we're increasing our 2021E EPS by 11 cents (to $1.72), our 2022E EPS by 32 cents (to $1.72), and our 2023E EPS by 28 cents (to $1.90). The main adjustments were an improved outlook on credit (and, in turn, a lower assumed pace of provisioning), as well as a lower run-rate of core expenses.

Lowering our PT… Despite our increased EPS estimates, we're lowering our PT by $2.00 (to $22.50), given a lower assumed peer median multiple, as well as a slimmer assumed premium for FCCO. We view the latter as largely a byproduct of the recent underperformance in the shares, which we suspect is at least partially owing to the potential for FCCO to be a Russell 2K deletion upon the index's reconstitution in June. Additionally, the bank is not immune to NII headwinds coupled with a normalizing (downward) trend in mortgage still to play out.

…yet reiterate BUY: All that said, we came away with an improved outlook on FCCO's credit and cost control, and longer-term, continue to view FCCO as a beneficiary from rising ST rates. We also view FCCO as having longer-term tailwinds, including the bank's stellar low-cost deposit base (i.e., noninterest-bearing deposits make up 32%+ of total deposits; cost of deposits of 0.17%) and a very attractive geographic footprint (with considerable scarcity value). While accretive M&A is possible (we suspect management would target greater penetration in the Upstate region of SC), we don't get the sense that a transaction is imminent, and would think that FCCO may need a better stock multiple first. The bank has a buyback in place, but we view it more as insurance to be utilized if the stock trades down lower amid the Russell 2K reconstitution in coming months. With the shares trading at only ~122% of TBV/sh and 10.0x our 2023E EPS, we see room for further upside over the long-term.

FY (Dec)		2020A	2021E	Previous	Cons.	2022E	Previous	Cons.
EPS	Q1 (Mar)	$0.24	**$0.43A**	$0.44	*n.a.*	**$0.41E**	$0.32	*$0.34*
	Q2 (Jun)	$0.30	**$0.45E**	$0.42	*$0.41*	**$0.41E**	$0.32	*$0.38*
	Q3 (Sep)	$0.31	**$0.41E**	$0.38	*$0.44*	**$0.44E**	$0.35	*$0.42*
	Q4 (Dec)	$0.46	**$0.42E**	$0.36	*$0.41*	**$0.47E**	$0.42	*$0.46*
		$1.30	**$1.72E**	$1.61	*$1.64*	**$1.72E**	$1.40	*$1.69*
Price/EPS		*14.7x*	*11.1x*			*11.1x*		
Revenue ($M)	Q1 (Mar)	$12.3	**$13.9A**	$14.4	*n.a.*	**$14.5E**	NC	*$14.2*
	Q2 (Jun)	$13.1	**$14.3E**	$14.6	*$14.1*	**$14.7E**	NC	*$14.6*
	Q3 (Sep)	$13.6	**$14.3E**	$14.5	*$14.2*	**$14.9E**	NC	*$14.9*
	Q4 (Dec)	$14.3	**$14.4E**	$14.6	*$14.4*	**$15.0E**	NC	*$15.0*
		$53.4	**$56.8E**	$58.0	*$56.6*	**$59.1E**	NC	*$58.7*

Buy

Price Target	**↓$22.50**
Price (4/26/21)	$19.13
Industry	FINANCIAL INSTITUTIONS

Valuation & Performance

Return on Assets (MRQ)	0.91%
ROTCE (MRQ)	11.0%
Net Interest Margin (MRQ)	3.20%
Efficiency Ratio (MRQ)	68.6%
TBV per Share (3/31/21)	$15.55
TCE/TA (3/31/21)	7.9%
Dividend	$0.48 (2.5%)

Trading Data

Shares Outstanding (M)	7.5
Market Capitalization ($M)	$142.9
52-week range	$12.23 - $22.00
Avg. Volume (3-mth.) (K)	21.4

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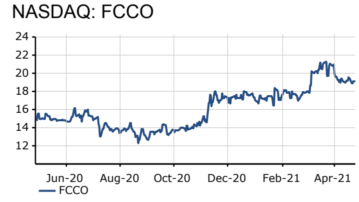
Company Description

Lexington, SC - First Community Corporation is the parent company of First Community Bank a +$1.1B 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



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

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Income Statement	2019A	2020A	2021E	2022E	2023E	3Q19A	4Q19A	1Q20A	2Q20A	3Q20A	4Q20A
NET INTEREST INCOME (FTE)	$ 36.848	$ 40.023	$ 43.257	$ 45.607	$ 49.188	$ 9.353	$ 9.359	$ 9.417	$ 9.743	$ 10.176	$ 10.687
PROVISION FOR LOAN LOSSES	$ 0.139	$ 3.663	$ 2.148	$ 3.653	$ 4.197	$ 0.025	$ -	$ 1.075	$ 1.250	$ 1.062	$ 0.276
Non-Interest Income											
Deposit service charges	$ 1.649	$ 1.121	$ 1.037	$ 1.099	$ 1.154	$ 0.421	$ 0.437	$ 0.399	$ 0.210	$ 0.242	$ 0.270
Mortgage banking income	$ 4.555	$ 5.557	$ 4.473	$ 3.673	$ 2.966	$ 1.251	$ 1.222	$ 0.982	$ 1.572	$ 1.403	$ 1.600
Invest. Advisory fees & commissions	$ 2.021	$ 2.720	$ 3.619	$ 3.898	$ 4.168	$ 0.509	$ 0.585	$ 0.634	$ 0.671	$ 0.672	$ 0.743
Gain (loss) on sale of other assets	$ (0.003)	$ 0.147	$ 0.308	$ 0.308	$ 0.308	$ -	$ -	$ 0.006	$ -	$ 0.141	$ -
Other	$ 3.661	$ 3.814	$ 4.246	$ 4.466	$ 4.716	$ 0.932	$ 0.966	$ 0.907	$ 0.934	$ 0.982	$ 0.991
TOTAL NON-INTEREST INCOME (core)	$ 11.883	$ 13.359	$ 13.683	$ 13.445	$ 13.311	$ 3.113	$ 3.210	$ 2.928	$ 3.387	$ 3.440	$ 3.604
OPERATING REVENUE	$ 48.731	$ 53.382	$ 56.832	$ 59.052	$ 62.500	$ 12.466	$ 12.569	$ 12.345	$ 13.130	$ 13.616	$ 14.291
Noninterest Expense											
Salaries & employee benefits	$ 21.261	$ 24.026	$ 23.945	$ 24.364	$ 25.148	$ 5.465	$ 5.416	$ 5.653	$ 5.840	$ 6.087	$ 6.446
Occupancy	$ 2.696	$ 2.709	$ 2.964	$ 3.088	$ 3.246	$ 0.703	$ 0.691	$ 0.643	$ 0.679	$ 0.736	$ 0.651
Equipment	$ 1.493	$ 1.237	$ 1.117	$ 1.168	$ 1.218	$ 0.365	$ 0.353	$ 0.318	$ 0.298	$ 0.318	$ 0.303
Marketing & public relations	$ 1.115	$ 1.043	$ 1.384	$ 1.245	$ 1.200	$ 0.159	$ 0.351	$ 0.354	$ 0.247	$ 0.342	$ 0.100
FDIC assessment	$ 0.067	$ 0.404	$ 0.676	$ 0.676	$ 0.676	$ -	$ (0.078)	$ 0.042	$ 0.088	$ 0.137	$ 0.137
Amortization of intangibles	$ 0.523	$ 0.363	$ 0.231	$ 0.229	$ 0.220	$ 0.133	$ 0.126	$ 0.105	$ 0.095	$ 0.095	$ 0.068
Other operating expenses	$ 7.380	$ 7.551	$ 7.796	$ 8.138	$ 8.664	$ 1.934	$ 2.001	$ 1.888	$ 1.844	$ 1.920	$ 1.899
Noninterest Expense, Ex-Credit	$ 34.535	$ 37.333	$ 38.114	$ 38.908	$ 40.373	$ 8.759	$ 8.860	$ 9.003	$ 9.091	$ 9.635	$ 9.604
OREO expense	$ 0.081	$ 0.201	$ 0.116	$ 0.107	$ 0.103	$ 0.031	$ 0.003	$ 0.035	$ 0.040	$ 0.079	$ 0.047
Write-down of OREO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss (gain) on sale of OREO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NONINTEREST EXPENSE (core)	$ 34.616	$ 37.534	$ 38.230	$ 39.014	$ 40.476	$ 8.790	$ 8.863	$ 9.038	$ 9.131	$ 9.714	$ 9.651
Pre-Tax Operating Income	$ 13.976	$ 12.185	$ 16.454	$ 16.385	$ 17.827	$ 3.651	$ 3.706	$ 2.232	$ 2.749	$ 2.840	$ 4.364
Pre-Tax, Pre-Provision Operating Income	$ 14.115	$ 15.848	$ 18.602	$ 20.038	$ 22.024	$ 3.676	$ 3.706	$ 3.307	$ 3.999	$ 3.902	$ 4.640
Pre-Tax, Pre-Credit Costs Operating Income	$ 14.196	$ 16.049	$ 18.718	$ 20.144	$ 22.127	$ 3.707	$ 3.709	$ 3.342	$ 4.039	$ 3.981	$ 4.687
Gain (Loss) on sale of securities	$ 0.136	$ 0.099	$ -	$ -	$ -	$ -	$ 0.001	$ -	$ -	$ 0.099	$ -
Non-Operating Revenues	$ -	$ 0.311	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.311	$ -
Non-Operating Expenses	$ (0.282)	$ -	$ -	$ -	$ -	$ -	$ (0.282)	$ -	$ -	$ -	$ -
Merger Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pre-Tax Income	$ 13.830	$ 12.595	$ 16.454	$ 16.385	$ 17.827	$ 3.651	$ 3.425	$ 2.232	$ 2.749	$ 3.250	$ 4.364
Income Taxes	$ 2.858	$ 2.496	$ 3.537	$ 3.523	$ 3.833	$ 0.753	$ 0.727	$ 0.438	$ 0.532	$ 0.598	$ 0.928
Tax Rate	20.67%	19.82%	21.50%	21.50%	21.50%	20.6%	21.2%	19.6%	19.4%	18.4%	21.3%
Core Tax Rate	20.63%	19.66%	21.50%	21.50%	21.50%	20.6%	21.2%	19.6%	19.4%	18.4%	21.3%
Net Income from Continuing Operations	$ 10.972	$ 10.099	$ 12.917	$ 12.862	$ 13.994	$ 2.898	$ 2.698	$ 1.794	$ 2.217	$ 2.652	$ 3.436
Net Income from Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income	$ 10.972	$ 10.099	$ 12.917	$ 12.862	$ 13.994	$ 2.898	$ 2.698	$ 1.794	$ 2.217	$ 2.652	$ 3.436
Preferred Dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gain (Loss) Attributable to Noncontrolling Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET INCOME AVAILABLE TO COMMON	$ 10.972	$ 10.099	$ 12.917	$ 12.862	$ 13.994	$ 2.898	$ 2.698	$ 1.794	$ 2.217	$ 2.652	$ 3.436
Shares / Per Share Metrics	2019A	2020A	2021E	2022E	2023E	3Q19A	4Q19A	1Q20A	2Q20A	3Q20A	4Q20A
Earnings Per Share (EPS) - Reported	$ 1.44	$ 1.35	$ 1.71	$ 1.72	$ 1.90	$ 0.39	$ 0.36	$ 0.24	$ 0.30	$ 0.35	$ 0.46
Core EPS	**$ 1.46**	**$ 1.30**	**$ 1.72**	**$ 1.72**	**$ 1.90**	**$ 0.39**	**$ 0.39**	**$ 0.24**	**$ 0.30**	**$ 0.31**	**$ 0.46**
Core EPS Growth (Annualized)	-1.8%	-10.8%	31.6%	0.4%	10.3%	34.9%	2.6%	-154.2%	94.5%	17.2%	191.4%
PTPP/Avg. Shares	$ 1.86	$ 2.12	$ 2.47	$ 2.69	$ 2.99	$ 0.49	$ 0.50	$ 0.44	$ 0.54	$ 0.52	$ 0.62
Avg. Diluted Shares o/s	7.590	7.480	7.523	7.460	7.360	7.463	7.469	7.468	7.465	7.482	7.503
EOP Shares	7.440	7.500	7.525	7.425	7.325	7.409	7.440	7.462	7.486	7.493	7.500
Dividend per Share	$ 0.45	$ 0.48	$ 0.48	$ 0.48	$ 0.48	$ 0.11	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12
Dividend Payout Ratio	31.3%	35.6%	28.0%	27.8%	25.2%	28.2%	33.3%	50.0%	40.0%	34.3%	26.1%
TBV / Share	$ 13.99	$ 16.08	$ 16.47	$ 17.67	$ 19.05	$ 13.84	$ 13.99	$ 14.55	$ 15.35	$ 15.67	$ 16.08
Profitability Metrics	2019A	2020A	2021E	2022E	2023E	3Q19A	4Q19A	1Q20A	2Q20A	3Q20A	4Q20A
NIM	3.62%	3.34%	3.18%	3.24%	3.32%	3.65%	3.56%	3.55%	3.38%	3.28%	3.31%
Core NIM	3.64%	3.38%	3.14%	3.23%	3.32%	3.60%	3.56%	3.55%	3.38%	3.29%	3.28%
Core ROAA	0.99%	0.76%	0.89%	0.85%	0.89%	1.03%	1.01%	0.61%	0.70%	0.69%	0.99%
Core PTPP ROAA	1.26%	1.22%	1.28%	1.33%	1.39%	1.31%	1.29%	1.12%	1.26%	1.16%	1.33%
Core ROAE	9.48%	7.60%	9.49%	8.99%	9.28%	9.89%	9.76%	5.81%	6.99%	7.04%	10.31%
Core ROTCE	10.99%	8.64%	10.76%	10.10%	10.35%	11.38%	11.30%	6.75%	7.94%	7.98%	11.55%
Core ROTCE (ex-Reserve Release)	10.69%	5.83%	10.49%	9.56%	10.24%	10.77%	11.10%	3.52%	4.35%	4.67%	10.76%
Core Efficiency	71.0%	70.3%	67.3%	66.1%	64.8%	70.3%	70.5%	72.9%	69.2%	70.8%	67.2%
Core Fee Income / Operating Revs	24.4%	25.0%	24.1%	22.8%	21.3%	25.0%	25.5%	23.7%	25.8%	25.3%	25.2%

Income Statement	1Q21A	2Q21E	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E
NET INTEREST INCOME (FTE)	$ 10.675	$ 10.758	$ 10.817	$ 11.007	$ 11.169	$ 11.310	$ 11.484	$ 11.644	$ 11.914	$ 12.187	$ 12.407	$ 12.680
PROVISION FOR LOAN LOSSES	$ 0.177	$ 0.391	$ 0.681	$ 0.899	$ 0.871	$ 1.042	$ 0.847	$ 0.893	$ 1.152	$ 1.059	$ 1.016	$ 0.970
Non-Interest Income												
Deposit service charges	$ 0.246	$ 0.258	$ 0.263	$ 0.269	$ 0.267	$ 0.274	$ 0.277	$ 0.281	$ 0.284	$ 0.287	$ 0.289	$ 0.294
Mortgage banking income	$ 0.990	$ 1.267	$ 1.178	$ 1.037	$ 0.913	$ 0.958	$ 0.949	$ 0.854	$ 0.786	$ 0.770	$ 0.724	$ 0.687
Invest. Advisory fees & commissions	$ 0.877	$ 0.899	$ 0.912	$ 0.931	$ 0.945	$ 0.968	$ 0.983	$ 1.002	$ 1.017	$ 1.033	$ 1.048	$ 1.069
Gain (loss) on sale of other assets	$ 0.077	$ 0.077	$ 0.077	$ 0.077	$ 0.077	$ 0.077	$ 0.077	$ 0.077	$ 0.077	$ 0.077	$ 0.077	$ 0.077
Other	$ 1.106	$ 1.026	$ 1.047	$ 1.068	$ 1.084	$ 1.105	$ 1.127	$ 1.150	$ 1.161	$ 1.173	$ 1.185	$ 1.197
TOTAL NON-INTEREST INCOME (core)	$ 3.296	$ 3.528	$ 3.478	$ 3.381	$ 3.285	$ 3.383	$ 3.413	$ 3.364	$ 3.325	$ 3.339	$ 3.323	$ 3.324
OPERATING REVENUE	$ 13.863	$ 14.285	$ 14.295	$ 14.388	$ 14.454	$ 14.693	$ 14.896	$ 15.008	$ 15.240	$ 15.526	$ 15.730	$ 16.004
Noninterest Expense												
Salaries & employee benefits	$ 5.964	$ 5.994	$ 6.024	$ 5.964	$ 6.038	$ 6.068	$ 6.144	$ 6.113	$ 6.205	$ 6.252	$ 6.299	$ 6.393
Occupancy	$ 0.730	$ 0.737	$ 0.745	$ 0.752	$ 0.758	$ 0.769	$ 0.777	$ 0.785	$ 0.796	$ 0.806	$ 0.816	$ 0.827
Equipment	$ 0.275	$ 0.278	$ 0.281	$ 0.283	$ 0.287	$ 0.291	$ 0.293	$ 0.296	$ 0.300	$ 0.303	$ 0.306	$ 0.309
Marketing & public relations	$ 0.396	$ 0.376	$ 0.395	$ 0.217	$ 0.358	$ 0.333	$ 0.357	$ 0.196	$ 0.343	$ 0.326	$ 0.342	$ 0.188
FDIC assessment	$ 0.169	$ 0.169	$ 0.169	$ 0.169	$ 0.169	$ 0.169	$ 0.169	$ 0.169	$ 0.169	$ 0.169	$ 0.169	$ 0.169
Amortization of intangibles	$ 0.057	$ 0.058	$ 0.058	$ 0.059	$ 0.058	$ 0.058	$ 0.057	$ 0.056	$ 0.056	$ 0.055	$ 0.055	$ 0.054
Other operating expenses	$ 1.920	$ 1.939	$ 1.959	$ 1.978	$ 1.998	$ 2.023	$ 2.043	$ 2.074	$ 2.115	$ 2.147	$ 2.179	$ 2.223
Noninterest Expense, Ex-Credit	$ 9.511	$ 9.551	$ 9.630	$ 9.422	$ 9.666	$ 9.711	$ 9.840	$ 9.690	$ 9.985	$ 10.058	$ 10.166	$ 10.163
OREO expense	$ 0.029	$ 0.029	$ 0.029	$ 0.029	$ 0.028	$ 0.027	$ 0.026	$ 0.026	$ 0.026	$ 0.026	$ 0.026	$ 0.026
Write-down of OREO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss (gain) on sale of OREO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NONINTEREST EXPENSE (core)	$ 9.540	$ 9.580	$ 9.659	$ 9.451	$ 9.694	$ 9.738	$ 9.867	$ 9.715	$ 10.011	$ 10.084	$ 10.192	$ 10.189
Pre-Tax Operating Income	$ 4.146	$ 4.314	$ 3.956	$ 4.038	$ 3.890	$ 3.912	$ 4.183	$ 4.400	$ 4.077	$ 4.382	$ 4.522	$ 4.846
Pre-Tax, Pre-Provision Operating Income	$ 4.323	$ 4.705	$ 4.636	$ 4.937	$ 4.760	$ 4.955	$ 5.030	$ 5.293	$ 5.229	$ 5.442	$ 5.538	$ 5.816
Pre-Tax, Pre-Credit Costs Operating Income	$ 4.352	$ 4.734	$ 4.665	$ 4.966	$ 4.788	$ 4.982	$ 5.056	$ 5.319	$ 5.255	$ 5.467	$ 5.563	$ 5.841
Gain (Loss) on sale of securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Operating Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Merger Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pre-Tax Income	$ 4.146	$ 4.314	$ 3.956	$ 4.038	$ 3.890	$ 3.912	$ 4.183	$ 4.400	$ 4.077	$ 4.382	$ 4.522	$ 4.846
Income Taxes	$ 0.891	$ 0.928	$ 0.850	$ 0.868	$ 0.836	$ 0.841	$ 0.899	$ 0.946	$ 0.877	$ 0.942	$ 0.972	$ 1.042
Tax Rate	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
Core Tax Rate	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
Net Income from Continuing Operations	$ 3.255	$ 3.386	$ 3.105	$ 3.170	$ 3.053	$ 3.071	$ 3.283	$ 3.454	$ 3.200	$ 3.440	$ 3.550	$ 3.804
Net Income from Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income	$ 3.255	$ 3.386	$ 3.105	$ 3.170	$ 3.053	$ 3.071	$ 3.283	$ 3.454	$ 3.200	$ 3.440	$ 3.550	$ 3.804
Preferred Dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gain (Loss) Attributable to Noncontrolling Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET INCOME AVAILABLE TO COMMON	$ 3.255	$ 3.386	$ 3.105	$ 3.170	$ 3.053	$ 3.071	$ 3.283	$ 3.454	$ 3.200	$ 3.440	$ 3.550	$ 3.804
Shares / Per Share Metrics	1Q21A	2Q21E	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E
Earnings Per Share (EPS) - Reported	$ 0.43	$ 0.45	$ 0.41	$ 0.42	$ 0.41	$ 0.41	$ 0.44	$ 0.47	$ 0.43	$ 0.47	$ 0.48	$ 0.52
Core EPS	**$ 0.43**	**$ 0.45**	**$ 0.41**	**$ 0.42**	**$ 0.41**	**$ 0.41**	**$ 0.44**	**$ 0.47**	**$ 0.43**	**$ 0.47**	**$ 0.48**	**$ 0.52**
Core EPS Growth (Annualized)	-22.0%	16.2%	-33.2%	8.3%	-13.4%	3.7%	29.1%	22.2%	-28.1%	31.4%	14.2%	30.1%
PTPP/Avg. Shares	$ 0.57	$ 0.63	$ 0.62	$ 0.66	$ 0.63	$ 0.66	$ 0.68	$ 0.71	$ 0.71	$ 0.74	$ 0.75	$ 0.79
Avg. Diluted Shares o/s	7.523	7.523	7.523	7.523	7.498	7.473	7.448	7.423	7.398	7.373	7.348	7.323
EOP Shares	7.525	7.525	7.525	7.525	7.500	7.475	7.450	7.425	7.400	7.375	7.350	7.325
Dividend per Share	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12
Dividend Payout Ratio	27.9%	26.7%	29.1%	28.5%	29.5%	29.2%	27.2%	25.8%	27.7%	25.7%	24.8%	23.1%
TBV / Share	$ 15.55	$ 15.88	$ 16.17	$ 16.47	$ 16.75	$ 17.03	$ 17.34	$ 17.67	$ 17.97	$ 18.31	$ 18.66	$ 19.05
Profitability Metrics	1Q21A	2Q21E	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E
NIM	3.20%	3.19%	3.16%	3.19%	3.22%	3.24%	3.25%	3.25%	3.27%	3.31%	3.33%	3.37%
Core NIM	3.16%	3.11%	3.16%	3.13%	3.16%	3.24%	3.25%	3.25%	3.27%	3.31%	3.33%	3.37%
Core ROAA	0.91%	0.94%	0.85%	0.86%	0.82%	0.82%	0.87%	0.90%	0.82%	0.88%	0.89%	0.95%
Core PTPP ROAA	1.20%	1.30%	1.26%	1.34%	1.28%	1.32%	1.33%	1.38%	1.34%	1.38%	1.40%	1.45%
Core ROAE	9.60%	10.11%	9.11%	9.15%	8.69%	8.64%	9.13%	9.47%	8.66%	9.19%	9.35%	9.88%
Core ROTCE	10.96%	11.46%	10.30%	10.32%	9.79%	9.72%	10.24%	10.61%	9.69%	10.27%	10.43%	11.00%
Core ROTCE (ex-Reserve Release)	10.50%	11.32%	10.09%	10.05%	9.25%	9.19%	9.72%	10.10%	9.63%	10.20%	10.31%	10.80%
Core Efficiency	68.6%	67.1%	67.6%	65.7%	67.1%	66.3%	66.2%	64.7%	65.7%	65.0%	64.8%	63.7%
Core Fee Income / Operating Revs	23.8%	24.7%	24.3%	23.5%	22.7%	23.0%	22.9%	22.4%	21.8%	21.5%	21.1%	20.8%

First Community Corp. (FCCO)

($M, except Per Share Data)

Kevin P. Fitzsimmons 856-994-6062

Average Balance Sheet	2019A	2020A	2021E	2022E	2023E	3Q19A	4Q19A	1Q20A	2Q20A	3Q20A	4Q20A	1Q21A	2Q21E	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E
Avg. PPP	$ -	$ 35.7	$ 45.7	$ 2.5	$ -	$ -	$ -	$ -	$ 47.9	$ 48.8	$ 46.0	$ 52.0	$ 55.7	$ 44.8	$ 30.0	$ 10.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Avg. Loans (ex-PPP)	$ 735.3	$ 799.2	$ 828.0	$ 877.1	$ 952.4	$ 740.2	$ 748.1	$ 753.7	$ 777.0	$ 819.3	$ 846.8	$ 834.3	$ 813.3	$ 825.5	$ 838.9	$ 852.5	$ 867.5	$ 884.8	$ 903.6	$ 922.8	$ 941.3	$ 961.3	$ 984.1
Avg. Total Loans	$ 735.3	$ 834.8	$ 888.5	$ 944.3	$ 1,025.3	$ 740.2	$ 748.1	$ 753.7	$ 824.8	$ 868.1	$ 892.8	$ 886.4	$ 875.6	$ 888.7	$ 903.2	$ 917.8	$ 933.9	$ 952.6	$ 972.8	$ 993.5	$ 1,013.4	$ 1,034.9	$ 1,059.5
Avg. Securities	$ 257.5	$ 300.8	$ 396.5	$ 416.6	$ 436.2	$ 254.8	$ 273.1	$ 286.3	$ 294.9	$ 299.9	$ 322.2	$ 373.3	$ 406.9	$ 402.9	$ 402.9	$ 408.9	$ 415.0	$ 421.3	$ 421.3	$ 429.7	$ 434.0	$ 438.3	$ 442.7
Avg. Other Earning Assets	$ 25.5	$ 62.8	$ 73.9	$ 46.5	$ 20.6	$ 27.3	$ 31.0	$ 37.3	$ 51.4	$ 80.7	$ 81.9	$ 79.3	$ 66.6	$ 77.4	$ 72.3	$ 60.7	$ 48.9	$ 38.4	$ 38.1	$ 36.3	$ 26.1	$ 15.8	$ 4.2
Avg. Earning Assets	$ 1,018.3	$ 1,198.5	$ 1,358.9	$ 1,407.4	$ 1,482.1	$ 1,022.2	$ 1,052.3	$ 1,077.2	$ 1,171.2	$ 1,248.6	$ 1,296.9	$ 1,339.1	$ 1,349.1	$ 1,369.0	$ 1,378.3	$ 1,387.5	$ 1,397.9	$ 1,412.2	$ 1,432.2	$ 1,459.5	$ 1,473.5	$ 1,489.1	$ 1,506.4
Avg. Total Assets	$ 1,116.0	$ 1,295.7	$ 1,456.5	$ 1,506.7	$ 1,580.7	$ 1,120.0	$ 1,151.5	$ 1,176.4	$ 1,269.2	$ 1,345.1	$ 1,392.0	$ 1,435.3	$ 1,446.2	$ 1,467.0	$ 1,477.4	$ 1,486.6	$ 1,497.1	$ 1,511.5	$ 1,531.5	$ 1,558.5	$ 1,572.3	$ 1,587.6	$ 1,604.6
Avg. Deposits	$ 934.8	$ 1,087.1	$ 1,222.9	$ 1,257.1	$ 1,295.6	$ 938.6	$ 967.5	$ 969.4	$ 1,060.1	$ 1,137.0	$ 1,181.8	$ 1,208.1	$ 1,214.3	$ 1,230.0	$ 1,239.3	$ 1,244.2	$ 1,250.1	$ 1,259.6	$ 1,274.6	$ 1,291.4	$ 1,293.9	$ 1,296.8	$ 1,300.2
Avg. Total Borrowings	$ 52.7	$ 66.8	$ 83.3	$ 97.6	$ 133.9	$ 52.0	$ 51.1	$ 70.3	$ 69.9	$ 63.3	$ 63.6	$ 78.3	$ 82.2	$ 86.3	$ 86.3	$ 90.6	$ 95.1	$ 99.9	$ 104.9	$ 115.4	$ 126.9	$ 139.6	$ 153.6
Avg. IB-Liabilities	$ 723.5	$ 810.0	$ 908.9	$ 961.0	$ 1,046.5	$ 724.1	$ 737.2	$ 758.0	$ 780.8	$ 832.7	$ 868.6	$ 896.5	$ 900.7	$ 916.6	$ 921.9	$ 935.1	$ 949.5	$ 967.8	$ 991.7	$ 1,020.9	$ 1,036.9	$ 1,054.4	$ 1,073.6
Avg. Total Liabilities	$ 999.1	$ 1,166.8	$ 1,319.5	$ 1,368.1	$ 1,442.7	$ 1,002.8	$ 1,031.9	$ 1,052.9	$ 1,142.3	$ 1,213.4	$ 1,258.8	$ 1,299.7	$ 1,309.8	$ 1,329.6	$ 1,338.9	$ 1,348.1	$ 1,358.5	$ 1,372.9	$ 1,392.8	$ 1,420.1	$ 1,434.1	$ 1,449.7	$ 1,467.1
Avg. Shareholders Equity	$ 117.0	$ 128.8	$ 136.1	$ 143.1	$ 150.8	$ 117.2	$ 119.6	$ 123.5	$ 126.9	$ 131.7	$ 133.3	$ 135.6	$ 133.9	$ 136.3	$ 138.5	$ 140.5	$ 142.1	$ 143.9	$ 145.9	$ 147.8	$ 149.7	$ 151.8	$ 154.1
Avg. Tangible Common Equity	$ 101.0	$ 113.3	$ 120.1	$ 127.4	$ 135.1	$ 101.8	$ 103.3	$ 106.3	$ 111.7	$ 116.2	$ 119.0	$ 118.8	$ 118.2	$ 120.6	$ 122.8	$ 124.8	$ 126.4	$ 128.2	$ 130.2	$ 132.1	$ 134.0	$ 136.1	$ 138.4

EOP Balance Sheet	2019A	2020A	2021E	2022E	2023E	3Q19A	4Q19A	1Q20A	2Q20A	3Q20A	4Q20A	1Q21A	2Q21E	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E
PPP	$ -	$ 42.2	$ 20.0	$ -	$ -	$ -	$ -	$ -	$ 47.9	$ 49.8	$ 42.2	$ 61.8	$ 49.6	$ 40.0	$ 20.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loans (ex-PPP)	$ 737.0	$ 801.9	$ 846.2	$ 913.7	$ 996.3	$ 735.1	$ 737.0	$ 749.5	$ 769.6	$ 794.7	$ 801.9	$ 807.2	$ 819.3	$ 831.6	$ 846.2	$ 858.9	$ 876.1	$ 893.6	$ 913.7	$ 932.0	$ 950.6	$ 972.0	$ 996.3
Total Loans	$ 737.0	$ 844.2	$ 911.0	$ 983.7	$ 1,072.6	$ 735.1	$ 737.0	$ 749.5	$ 817.4	$ 844.5	$ 844.2	$ 869.1	$ 882.1	$ 895.3	$ 911.0	$ 924.7	$ 943.2	$ 962.0	$ 983.7	$ 1,003.3	$ 1,023.4	$ 1,046.4	$ 1,072.6
Total Assets	$ 1,170.3	$ 1,395.4	$ 1,520.8	$ 1,638.1	$ 1,784.0	$ 1,130.0	$ 1,170.3	$ 1,185.3	$ 1,324.8	$ 1,381.8	$ 1,395.4	$ 1,492.5	$ 1,474.3	$ 1,496.4	$ 1,520.8	$ 1,545.5	$ 1,572.5	$ 1,604.0	$ 1,638.1	$ 1,672.9	$ 1,706.3	$ 1,742.6	$ 1,784.0
Non-IB Deposits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Deposits	$ 988.2	$ 1,189.4	$ 1,304.3	$ 1,341.4	$ 1,368.4	$ 948.8	$ 988.2	$ 986.6	$ 1,118.9	$ 1,173.6	$ 1,189.4	$ 1,271.4	$ 1,277.9	$ 1,294.5	$ 1,304.3	$ 1,309.4	$ 1,315.6	$ 1,325.7	$ 1,341.4	$ 1,359.1	$ 1,361.7	$ 1,364.8	$ 1,368.4
Total Liabilities	$ 1,036.7	$ 1,245.3	$ 1,387.4	$ 1,443.2	$ 1,520.2	$ 998.3	$ 1,036.7	$ 1,047.6	$ 1,179.5	$ 1,235.7	$ 1,245.3	$ 1,346.7	$ 1,357.2	$ 1,377.7	$ 1,387.4	$ 1,396.9	$ 1,407.7	$ 1,422.6	$ 1,443.2	$ 1,471.5	$ 1,486.0	$ 1,502.2	$ 1,520.2

Liquidity Ratios																							
Loans / Deposits	74.6%	71.0%	69.8%	73.3%	78.4%	77.5%	74.6%	76.0%	73.1%	72.0%	71.0%	68.4%	69.0%	69.2%	69.8%	70.6%	71.7%	72.6%	73.3%	73.8%	75.2%	76.7%	78.4%
Avg. Earning Assets / Avg. Assets	91.2%	92.5%	93.3%	93.4%	93.8%	91.3%	91.4%	91.6%	92.3%	92.8%	93.2%	93.3%	93.3%	93.3%	93.3%	93.3%	93.4%	93.4%	93.5%	93.6%	93.7%	93.8%	93.9%
Avg. Borrowings / Avg. Liabilities	5.3%	5.7%	6.3%	7.1%	9.3%	5.2%	5.0%	6.7%	6.1%	5.2%	5.1%	6.0%	6.3%	6.5%	6.4%	6.7%	7.0%	7.3%	7.5%	8.1%	8.8%	9.6%	10.5%

Capital Analysis	2019A	2020A	2021E	2022E	2023E	3Q19A	4Q19A	1Q20A	2Q20A	3Q20A	4Q20A	1Q21A	2Q21E	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E
Beginning Total Equity													$ 132.7	$ 135.2	$ 137.4	$ 139.6	$ 141.3	$ 143.0	$ 144.9	$ 146.9	$ 148.7	$ 150.7	$ 152.9
+ Net Income													$ 3.4	$ 3.1	$ 3.2	$ 3.1	$ 3.1	$ 3.3	$ 3.5	$ 3.2	$ 3.4	$ 3.5	$ 3.8
- Dividends													$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 0.9
- Cost of Share Repurchases													$ -	$ -	$ -	$ 0.49	$ 0.50	$ 0.51	$ 0.51	$ 0.52	$ 0.53	$ 0.53	$ 0.54
+ Shares Issued (M&A less cash paid; raises)													$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
+ Net Other																							
Ending Shareholders Equity	$ 120.2	$ 136.3	$ 139.6	$ 146.9	$ 155.3	$ 118.8	$ 120.2	$ 124.6	$ 130.8	$ 133.2	$ 136.3	$ 132.7	$ 135.2	$ 137.4	$ 139.6	$ 141.3	$ 143.0	$ 144.9	$ 146.9	$ 148.7	$ 150.7	$ 152.9	$ 155.3
Less: Intangible Assets	$ 16.1	$ 15.8	$ 15.7	$ 15.7	$ 15.7	$ 16.2	$ 16.1	$ 16.0	$ 15.9	$ 15.8	$ 15.8	$ 15.7	$ 15.7	$ 15.7	$ 15.7	$ 15.7	$ 15.7	$ 15.7	$ 15.7	$ 15.7	$ 15.7	$ 15.7	$ 15.7
Less: Preferred Equity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tangible Common Equity	$ 104.1	$ 120.6	$ 123.9	$ 131.2	$ 139.6	$ 102.5	$ 104.1	$ 108.6	$ 114.9	$ 117.4	$ 120.6	$ 117.0	$ 119.5	$ 121.7	$ 123.9	$ 125.6	$ 127.3	$ 129.2	$ 131.2	$ 133.0	$ 135.0	$ 137.2	$ 139.6
Tangible Assets	$ 1,154.2	$ 1,379.6	$ 1,505.1	$ 1,622.4	$ 1,768.3	$ 1,113.7	$ 1,154.2	$ 1,169.3	$ 1,308.9	$ 1,366.0	$ 1,379.6	$ 1,476.8	$ 1,458.6	$ 1,480.7	$ 1,505.1	$ 1,529.8	$ 1,556.8	$ 1,588.3	$ 1,622.4	$ 1,657.2	$ 1,690.6	$ 1,726.9	$ 1,768.3
Tier 1 Capital						$ 111.3	$ 112.8	$ 114.3	$ 115.8	$ 117.7	$ 120.4	$ 120.4	$ 122.9	$ 125.1	$ 127.34	$ 129.0	$ 130.7	$ 132.6	$ 134.61	$ 136.4	$ 138.4	$ 140.6	$ 142.95
Total Capital						$ 117.9	$ 119.4	$ 122.0	$ 124.7	$ 127.8	$ 130.8	$ 130.8	$ 133.3	$ 135.5	$ 137.73	$ 139.4	$ 141.1	$ 142.9	$ 144.99	$ 146.8	$ 148.8	$ 151.0	$ 153.34
CET-1						$ 111.3	$ 112.8	$ 114.3	$ 115.8	$ 117.7	$ 120.4	$ 120.4	$ 122.9	$ 125.1	$ 127.34	$ 129.0	$ 130.7	$ 132.6	$ 134.61	$ 136.4	$ 138.4	$ 140.6	$ 142.95
Risk Weighted Assets						$ 843.6	$ 873.6	$ 884.9	$ 989.0	$ 1,031.5	$ 1,041.7	$ 1,114.2	$ 1,100.6	$ 1,117.1	$ 1,135.28	$ 1,153.7	$ 1,173.9	$ 1,197.4	$ 1,222.87	$ 1,248.8	$ 1,273.8	$ 1,300.9	$ 1,331.81
TBV / Share (calc)	$ 13.99	$ 16.08	$ 16.47	$ 17.67	$ 19.05	$ 13.84	$ 13.99	$ 14.55	$ 15.35	$ 15.67	$ 16.08	$ 15.55	$ 15.88	$ 16.17	$ 16.47	$ 16.75	$ 17.03	$ 17.34	$ 17.67	$ 17.97	$ 18.31	$ 18.66	$ 19.05
Shares Repurchased	-	-	-	0.100	0.100	-	-	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Avg. Share Effect of Shares Issued																							

Capital Ratios																							
Total Capital / Risk Weighted Assets	14.26%	13.94%	12.13%	11.86%	11.51%	14.18%	14.26%	14.25%	14.03%	14.08%	13.94%	11.74%	12.11%	12.13%	12.13%	12.08%	12.02%	11.94%	11.86%	11.75%	11.68%	11.60%	11.51%
Tier-1 / Risk Weighted Assets	13.47%	12.83%	11.22%	11.01%	10.73%	13.39%	13.47%	13.35%	13.02%	12.97%	12.83%	10.80%	11.16%	11.20%	11.22%	11.18%	11.13%	11.07%	11.01%	10.92%	10.87%	10.81%	10.73%
Leverage Ratio	9.97%	8.80%	8.71%	8.88%	9.00%	10.12%	9.97%	9.91%	9.31%	8.95%	8.80%	8.49%	8.59%	8.62%	8.71%	8.77%	8.82%	8.86%	8.88%	8.84%	8.89%	8.94%	9.00%
CET-1 / Risk Weighted Assets	13.47%	12.83%	11.22%	11.01%	10.73%	13.39%	13.47%	13.35%	13.02%	12.97%	12.83%	10.80%	11.16%	11.20%	11.22%	11.18%	11.13%	11.07%	11.01%	10.92%	10.87%	10.81%	10.73%
TCE/TA	9.02%	8.74%	8.23%	8.09%	7.89%	9.21%	9.02%	9.29%	8.78%	8.60%	8.74%	7.92%	8.19%	8.22%	8.23%	8.21%	8.18%	8.13%	8.09%	8.03%	7.99%	7.94%	7.89%

Asset Quality	2019A	2020A	2021E	2022E	2023E	3Q19A	4Q19A	1Q20A	2Q20A	3Q20A	4Q20A	1Q21A	2Q21E	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E	4Q22E	1Q23E	2Q23E	3Q23E	4Q23E
Provision / Avg. Loans (ann'l)	0.02%	0.44%	0.24%	0.39%	0.41%	0.01%	0.00%	0.57%	0.61%	0.49%	0.12%	0.08%	0.18%	0.31%	0.40%	0.38%	0.45%	0.36%	0.37%	0.46%	0.42%	0.39%	0.37%
NCOs / Avg. Loans (ann'l %)	-0.03%	-0.01%	0.20%	0.41%	0.30%	-0.09%	-0.04%	0.00%	0.00%	-0.05%	-0.01%	0.00%	0.15%	0.30%	0.40%	0.45%	0.50%	0.40%	0.40%	0.40%	0.35%	0.30%	0.25%
Assumed ALLL for New Loans													1.15%	1.15%	1.15%	1.00%	1.00%	1.00%	1.00%	1.11%	1.12%	1.12%	1.11%
Assumed Add/Release from ALLL													-0.50%	-0.75%	-1.00%	-2.00%	-2.00%	-2.00%	-2.00%	0.25%	0.25%	0.50%	0.75%
Projected NCOs ($)													$ 0.305	$ 0.619	$ 0.839	$ 0.959	$ 1.084	$ 0.885	$ 0.904	$ 0.923	$ 0.824	$ 0.721	$ 0.615
Provision for New Loans													$ 0.139	$ 0.141	$ 0.167	$ 0.127	$ 0.172	$ 0.175	$ 0.201	$ 0.203	$ 0.209	$ 0.240	$ 0.270
Add/Release from ALLL													$ (0.05)	$ (0.08)	$ (0.11)	$ (0.22)	$ (0.21)	$ (0.21)	$ (0.21)	$ 0.03	$ 0.03	$ 0.06	$ 0.09
Required Provision													$ 0.391	$ 0.681	$ 0.899	$ 0.871	$ 1.042	$ 0.847	$ 0.893	$ 1.152	$ 1.059	$ 1.016	$ 0.970
Beginning ALLL													$ 10.563	$ 10.649	$ 10.711	$ 10.771	$ 10.683	$ 10.641	$ 10.603	$ 10.592	$ 10.821	$ 11.057	$ 11.352
- NCOs													$ 0.305	$ 0.619	$ 0.839	$ 0.959	$ 1.084	$ 0.885	$ 0.904	$ 0.923	$ 0.824	$ 0.721	$ 0.615
+ Provision													$ 0.391	$ 0.681	$ 0.899	$ 0.871	$ 1.042	$ 0.847	$ 0.893	$ 1.152	$ 1.059	$ 1.016	$ 0.970
Ending ALLL	$ 6.627	$ 10.389	$ 10.771	$ 10.592	$ 11.707	$ 6.560	$ 6.627	$ 7.694	$ 8.936	$ 10.113	$ 10.389	$ 10.563	$ 10.649	$ 10.711	$ 10.771	$ 10.683	$ 10.641	$ 10.603	$ 10.592	$ 10.821	$ 11.057	$ 11.352	$ 11.707
ALLL / Loans	0.90%	1.23%	1.18%	1.08%	1.09%	0.89%	0.90%	1.03%	1.09%	1.20%	1.23%	1.22%	1.21%	1.20%	1.18%	1.16%	1.13%	1.10%	1.08%	1.08%	1.08%	1.08%	1.09%
ALLL / Loans (ex-PPP)	0.90%	1.30%	1.27%	1.16%	1.18%	0.89%	0.90%	1.03%	1.16%	1.27%	1.30%	1.31%	1.30%	1.29%	1.27%	1.24%	1.21%	1.19%	1.16%	1.16%	1.16%	1.17%	1.18%
Provision for Loan Losses	$ 0.139	$ 3.663	$ 2.148	$ 3.653	$ 4.197	$ 0.025	$ -	$ 1.075	$ 1.250	$ 1.062	$ 0.276	$ 0.177	$ 0.391	$ 0.681	$ 0.899	$ 0.871	$ 1.042	$ 0.847	$ 0.893	$ 1.152	$ 1.059	$ 1.016	$ 0.970
Net Charge-Offs	$ (0.225)	$ (0.120)	$ 1.765	$ 3.832	$ 3.082	$ (0.173)	$ (0.067)	$ 0.008	$ 0.008	$ (0.115)	$ (0.021)	$ 0.002	$ 0.305	$ 0.619	$ 0.839	$ 0.959	$ 1.084	$ 0.885	$ 0.904	$ 0.923	$ 0.824	$ 0.721	$ 0.615
Excess Provision (LLP less NCOs)	$ 0.364	$ 3.783	$ 0.383	$ (0.179)	$ 1.115	$ 0.198	$ 0.067	$ 1.067	$ 1.242	$ 1.177	$ 0.297	$ 0.175	$ 0.086	$ 0.061	$ 0.060	$ (0.088)	$ (0.042)	$ (0.038)	$ (0.011)	$ 0.229	$ 0.236	$ 0.295	$ 0.355

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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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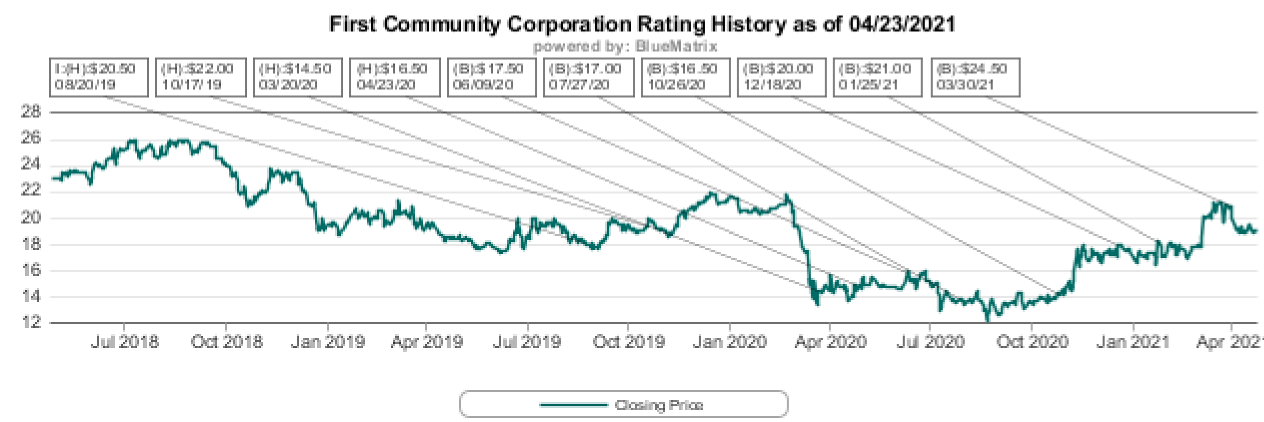
We, Kevin P. Fitzsimmons and Alexia Tsimikas, attest that (i) all the views expressed in this research report accurately reflect our personal views about the common stock of the subject company, and (ii) no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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 3/31/21)	Coverage Universe Distribution			Investment Banking Distribution		
	IR	WMR	Combined	IR	WMR	Combined
BUY (Buy)	58%	92%	61%	20%	0%	17%
NEUTRAL (Hold)	42%	8%	38%	9%	0%	9%
UNDERPERFORM (Sell)	1%	0%	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	$19.13