First Community Corporation

FCCO - NASDAQ

Institutional Equity Research

July 19, 2023

Demonstrating the Value of a Sticky, Low-Cost Deposit Base; BUY

*On the heels of FCCO's 2Q23 earnings report, we're increasing our EPS estimates, nudging our PT higher, and reiterating our **BUY** rating. While not immune to increasing cost of deposits, the 2Q NIM held up better than expected, and we get a sense that 2H23 compression will be at a diminishing pace. The balance sheet remains well-positioned, with positive loan growth, stable deposits, continued stellar credit quality, as well as solid capital and liquidity. Core profitability remains below peer medians, yet we continue to view the sticky, low-cost deposit base as quite valuable over the long term, and especially in this environment.*

Figure 1: RODS (Reported, Operating, Davidson, and Street)

EPS Summary	2Q23A
Reported EPS	$ 0.43
Operating EPS	$ 0.41
Davidson Est.	$ 0.37
Street Est.	$ 0.39

Source: S&P Capital IQ and D.A. Davidson & Co.

Core beat: FCCO reported 2Q23 EPS of $0.43. We estimate core EPS of $0.41, which beat consensus of $0.39 and our estimate of $0.37. The core beat vs. our forecast reflected higher than expected core PPNR (+$0.04/sh), with an in-line provision for loan losses. The core PPNR beat (vs. our forecast) reflected higher than expected NII (+$0.03/sh) and core fee revs (+$0.02/sh), partially offset by slightly higher than expected core expenses (-$0.01/sh).

Increasing our EPS estimates: After inputting FCCO's core 2Q23 results into our model and fine-tuning our assumptions, we're increasing our 2023E EPS by 10 cents (to $1.62) and our 2024E EPS by 14 cents (to $1.57). Main adjustments, besides the flow-through of the 2Q23 core EPS beat, included a higher base NIM, a higher run-rate of core fee revs, and a lower assumed pace of provisioning.

Nudging our PT higher; reiterate BUY: We're increasing our PT by $0.25 (to $21.00) given our increased EPS estimates. Our PT assumes the shares will trade at 13.4x our 2024E EPS and ~133% of our YE24E TBV/sh, along with our 2024E ROTCE of 10.35%.

HIGHLIGHTS FROM 2Q23 RESULTS

Core profitability declined LQ, including core ROAA of 0.73% (vs. 0.82% in 1Q23), PPNR ROAA of 0.97% (vs. 1.06%), ROTCE of 11.61% (vs. 13.12%), and efficiency ratio of 72.1% (vs. 70.8%). Core PPNR declined $290k or 6.4% LQ, yet came in $417k or $0.04/sh above our forecast.

The provision for loan losses increased $120k or nearly 2.5x LQ, yet was in-line with our forecast. The increase likely stemmed from loan growth. Credit quality remained stellar, as the bank recorded NCOs/average loans (ann'l) of 0.00% (vs. net recoveries LQ). ACL/loans (ex-PPP) decreased 3bp to 1.12% and NPAs/assets decreased 23bp LQ (to 0.06%), as the bank resolved one large non-accrual loan relationship during the quarter. The PD loan ratio remains nominal at 0.05%.

Highlights continued on next page.

FY (Dec)		2022A	2023E	Previous	*Cons.*	2024E	Previous	*Cons.*
EPS	Q1 (Mar)	$0.44	**$0.45A**	-	*n.a.*	**$0.37E**	$0.34	*$0.36*
	Q2 (Jun)	$0.42	**$0.41A**	$0.37	*n.a.*	**$0.38E**	$0.34	*$0.38*
	Q3 (Sep)	$0.52	**$0.39E**	$0.35	*$0.40*	**$0.41E**	$0.37	*$0.40*
	Q4 (Dec)	$0.54	**$0.37E**	$0.35	*$0.38*	**$0.41E**	$0.37	*$0.42*
		$1.92	**$1.62E**	$1.52	*$1.65*	**$1.57E**	$1.43	*$1.58*
Price/EPS		*9.3x*	*10.9x*			*11.3x*		
Revenue ($M)	Q1 (Mar)	$14.1	**$14.9A**	-	*n.a.*	**$15.1E**	$14.7	*$14.7*
	Q2 (Jun)	$14.1	**$15.0A**	$14.5	*n.a.*	**$15.4E**	$15.0	*$15.0*
	Q3 (Sep)	$15.5	**$14.9E**	$14.4	*$14.6*	**$15.8E**	$15.4	*$15.5*
	Q4 (Dec)	$16.0	**$14.9E**	$14.5	*$14.7*	**$16.2E**	$15.8	*$15.7*
		$59.6	**$59.6E**	$58.3	*$59.0*	**$62.5E**	$60.9	*$61.0*

Buy

Price Target	**↑$21.00**
Price (7/19/23)	$17.73
Industry	FINANCIAL INSTITUTIONS

Valuation & Performance

Return on Assets (MRQ)	0.73%
ROTCE (MRQ)	11.6%
Net Interest Margin (MRQ)	3.02%
Efficiency Ratio (MRQ)	72.1%
TBV per Share (6/30/23)	$14.33
TCE/TA (6/30/23)	6.3%
Dividend	$0.56 (3.2%)

Trading Data

Shares Outstanding (M)	7.7
Market Capitalization ($M)	$134.5
52-week range	$16.30 - $22.25
Avg. Volume (3-mth.) (K)	37.5

Kevin P. Fitzsimmons
MD, Senior Research Analyst
(856) 994-6062
kfitzsimmons@dadco.com

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

NII decreased $220k or 1.8% LQ, yet came in $314k or $0.03/sh above our forecast. NIM compressed 17bp to 3.02% (albeit above our forecast of 2.94%). The lower NIM reflected higher total deposit costs (up 39bp to 0.97%), partially offset by higher loan yields (up 27bp to 4.86%). The cumulative total deposit beta is 19.8%. A pay-fixed/receive-floating interest rate swap entered into in early-May (to alleviate pressure from higher-for-longer) contributed an incremental 14bp to loan yield and 8bp to NIM, LQ. AEAs increased 2.6% LQ.

We expect the NIM will continue to compress, albeit at a diminishing pace vs. prior quarters, and this is already evident in the LQ compression incurred in 1Q23 and 2Q23 of -23bp and -17bp, respectively. Management expects that once the Fed is done with hikes, deposits costs will start to plateau, yet fixed loan repricing continues, implying an inflection point to NIM expansion. FCCO also plans to utilize cash flows from maturing securities to fund loans and/or pay down borrowings in coming quarters. Interestingly, while FCCO isn't immune to deposit mix shift, the bank's DDA% seems to be holding more stable than what we've seen at other banks.

The June NIM of ~3.08% is above the 2Q23 NIM of 3.02%, reflecting the contribution from the aforementioned interest rate swap. The June loan yield was 5.00% (vs. 4.86% for 2Q23), reflecting the contribution from the swap as well as continued loan repricing (as new/ renewed loans are coming on in a 6.50% to low-7.00% range). At the same time, the June cost of total deposits of 1.07% is above the 2Q23 level of 0.97%.

EOP loans grew $39.7M or 16.0% LQA, which management attributed to higher commercial loan production, inclusive of advances from unfunded commercial construction loans and retaining mortgage/residential construction activity on-balance sheet. Loan payoffs and paydowns were relatively stable LQ.

We expect loan growth to moderate in 3Q23 from the robust 2Q23 pace to a mid- to high-single digit annualized pace. Loan growth can be lumpy, as evidenced by the slower growth in 1Q and strong growth in 2Q. The bank continues to have success with its emphasis on ARM and construction loan products, which are being held on-balance sheet, as opposed to selling in the secondary market.

EOP deposits slightly increased $60k or <1% LQA, reflecting higher CDs, partially offset by lower non-IB deposits (down to 31.5% of total deposits vs. 32.3% in 1Q23). Loans-to-deposits increased to 72.7%, as compared to 69.9% LQ.

Core fee revenues increased $250k or 9.7% LQ, and came in $161k or $0.02/sh above our forecast. LQ comps indicate higher mortgage banking income, and advisor fees, and other, partially offset by lower deposit service charges. The bank noted a record level of AUM in the investment advisory LOB, which we suspect implies a bump to related revenues in coming quarters.

Core expenses increased $320k or 3.1% LQ, and came in $58k or $0.01/sh above our forecast. The LQ increase mainly stemmed from higher salary/employee benefits (given higher variable comp in mortgage), regulatory fees, equipment, and marketing, as well as a smaller OREO gain, partially offset by lower occupancy and other.

Capital ratios, while lower LQ, remain strong, including CET1 of 13.29% (vs. 13.55% in 1Q23), Total RBC of 14.35% (vs. 14.63%), and Tier 1 leverage ratio of 8.63% (vs. 8.68%). FCCO saw slight LQ increases in TCE/TA (from 6.29% to 6.31%) and in TBV/sh (up 0.5% to $14.33) in spite of a larger drag from AOCI. FCCO did not repurchase any shares during 2Q23.

We get the sense that FCCO would contemplate small, targeted sales of securities, which could allow proceeds to be redeployed at higher rates and/or to pay down borrowings, but any transaction likely wouldn't be of a magnitude to drive a large upfront loss.

Figure 2: Variance Table

Quarterly Earnings Snapshot

	Actual 1Q23A	Actual 2Q23A	Our Est. 2Q23E	Variance (vs. Our Est.) $	Variance (vs. Our Est.) Per Sh Impact	Actual LQ Chg
Net Interest Income (FTE)	$ 12.357	$ 12.137	$ 11.823	$ 0.314	$ 0.03	-1.8%
Provision for Loan Losses	$ 0.070	$ 0.186	$ 0.204	$ (0.018)	$ 0.00	165.7%
Noninterest Income (Core)	$ 2.575	$ 2.825	$ 2.664	$ 0.161	$ 0.02	9.7%
Total Revenue (Core)	$ 14.932	$ 14.962	$ 14.487	$ 0.475		0.2%
Noninterest Expense (Core)	$ 10.436	$ 10.755	$ 10.697	$ 0.058	$ (0.01)	3.1%
PT Oper. Income	$ 4.426	$ 4.021	$ 3.586	$ 0.435		-9.2%
PTPP Oper. Income	$ 4.496	$ 4.207	$ 3.790	$ 0.417	$ 0.04	-6.4%
Tax Rate (Core)	21.76%	21.66%	21.00%	66bp		-10bp
Avg. Diluted Shares o/s	7.644	7.655	7.644	0.010		0.1%
Core EPS	$ 0.45	$ 0.41	$ 0.37		$ 0.04	-9.2%
TBV / Share	$ 14.26	$ 14.33	$ 14.50		$ (0.166)	0.5%
NIM	3.19%	3.02%	2.94%	8bp		-17bp
Core NIM	3.19%	3.00%	2.94%	6bp		-19bp
Core ROAA	0.82%	0.73%	0.66%	7bp		-9bp
Core PTPP ROAA	1.06%	0.97%	0.88%	9bp		-9bp
Core ROAE	11.54%	10.15%	9.10%	104bp		-139bp
Core Efficiency	70.8%	72.1%	73.8%	-176bp		130bp
Avg. Total Loans	$ 986.5	$ 1,017.215	$ 997.583	$ 19.6		3.1%
Avg. Earning Assets	$ 1,581.8	$ 1,622.420	$ 1,608.853	$ 13.6		2.6%
Net Charge-Offs	$ (0.015)	$ 0.010	$ 0.050	$ (0.040)		-166.7%
NCOs/Avg. Loans (ann'l)	-0.01%	0.00%	0.02%	-2bp		1bp
Excess Provision (LLP less NCOs)	$ 0.085	$ 0.176	$ 0.154	$ 0.022		107.1%

Source: D.A. Davidson & Co.

First Community Corp. (FCCO) — **Kevin P. Fitzsimmons 856-994-6062**

($M, except Per Share Data)

Income Statement	2021A	2022A	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
NET INTEREST INCOME (FTE)	$ 45.387	$ 47.943	$ 48.320	$ 49.922	$ 10.675	$ 11.092	$ 12.456	$ 11.164	$ 10.733	$ 11.051	$ 12.794	$ 13.365	$ 12.357	$ 12.137	$ 11.958	$ 11.868	$ 12.047	$ 12.256	$ 12.656	$ 12.963
PROVISION FOR LOAN LOSSES	$ 0.335	$ (0.152)	$ 0.794	$ 1.919	$ 0.177	$ 0.168	$ 0.049	$ (0.059)	$ (0.125)	$ (0.070)	$ 0.018	$ 0.025	$ 0.070	$ 0.186	$ 0.256	$ 0.282	$ 0.330	$ 0.414	$ 0.523	$ 0.653
Non-Interest Income				$ -																
Deposit service charges	$ 0.977	$ 0.960	$ 0.900	$ 0.943	$ 0.246	$ 0.212	$ 0.257	$ 0.262	$ 0.265	$ 0.262	$ 0.243	$ 0.190	$ 0.232	$ 0.220	$ 0.222	$ 0.226	$ 0.229	$ 0.235	$ 0.238	$ 0.242
Mortgage banking income	$ 4.319	$ 1.900	$ 1.279	$ 1.558	$ 0.990	$ 1.143	$ 1.147	$ 1.039	$ 0.839	$ 0.481	$ 0.290	$ 0.290	$ 0.155	$ 0.371	$ 0.384	$ 0.369	$ 0.354	$ 0.396	$ 0.412	$ 0.396
Invest. Advisory fees & commissions	$ 3.995	$ 4.479	$ 4.498	$ 5.169	$ 0.877	$ 0.957	$ 1.040	$ 1.121	$ 1.198	$ 1.195	$ 1.053	$ 1.033	$ 1.067	$ 1.081	$ 1.135	$ 1.215	$ 1.245	$ 1.282	$ 1.308	$ 1.334
Gain (loss) on sale of other assets	$ 0.077	$ -	$ -	$ -	$ 0.077	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ 4.349	$ 4.342	$ 4.615	$ 4.890	$ 1.106	$ 1.106	$ 1.060	$ 1.077	$ 1.068	$ 1.111	$ 1.087	$ 1.076	$ 1.121	$ 1.153	$ 1.165	$ 1.176	$ 1.194	$ 1.212	$ 1.230	$ 1.254
TOTAL NON-INTEREST INCOME (core)	$ 13.717	$ 11.681	$ 11.291	$ 12.560	$ 3.296	$ 3.418	$ 3.504	$ 3.499	$ 3.370	$ 3.049	$ 2.673	$ 2.589	$ 2.575	$ 2.825	$ 2.906	$ 2.985	$ 3.021	$ 3.125	$ 3.188	$ 3.226
OPERATING REVENUE	$ 58.996	$ 59.624	$ 59.611	$ 62.483	$ 13.863	$ 14.510	$ 15.960	$ 14.663	$ 14.103	$ 14.100	$ 15.467	$ 15.954	$ 14.932	$ 14.962	$ 14.864	$ 14.853	$ 15.069	$ 15.381	$ 15.844	$ 16.189
Noninterest Expense																				
Salaries & employee benefits	$ 24.494	$ 25.357	$ 26.067	$ 27.575	$ 5.964	$ 5.948	$ 6.394	$ 6.188	$ 6.119	$ 6.175	$ 6.373	$ 6.690	$ 6.331	$ 6.508	$ 6.573	$ 6.655	$ 6.745	$ 6.880	$ 6.932	$ 7.018
Occupancy	$ 2.947	$ 3.002	$ 3.279	$ 3.370	$ 0.730	$ 0.734	$ 0.743	$ 0.740	$ 0.705	$ 0.786	$ 0.786	$ 0.725	$ 0.830	$ 0.813	$ 0.817	$ 0.819	$ 0.829	$ 0.838	$ 0.846	$ 0.857
Equipment	$ 1.296	$ 1.343	$ 1.478	$ 1.581	$ 0.275	$ 0.338	$ 0.336	$ 0.347	$ 0.332	$ 0.329	$ 0.331	$ 0.351	$ 0.336	$ 0.377	$ 0.381	$ 0.385	$ 0.389	$ 0.393	$ 0.397	$ 0.401
Marketing & public relations	$ 1.173	$ 1.259	$ 1.418	$ 1.486	$ 0.396	$ 0.313	$ 0.140	$ 0.324	$ 0.361	$ 0.446	$ 0.163	$ 0.289	$ 0.346	$ 0.370	$ 0.344	$ 0.358	$ 0.376	$ 0.383	$ 0.356	$ 0.371
FDIC assessment	$ 0.618	$ 0.468	$ 0.845	$ 0.884	$ 0.169	$ 0.146	$ 0.189	$ 0.114	$ 0.130	$ 0.105	$ 0.121	$ 0.112	$ 0.182	$ 0.221	$ 0.221	$ 0.221	$ 0.221	$ 0.221	$ 0.221	$ 0.221
Amortization of intangibles	$ 0.201	$ 0.158	$ 0.157	$ 0.150	$ 0.057	$ 0.052	$ 0.052	$ 0.040	$ 0.039	$ 0.040	$ 0.039	$ 0.040	$ 0.039	$ 0.040	$ 0.039	$ 0.039	$ 0.038	$ 0.038	$ 0.037	$ 0.037
Other operating expenses	$ 8.367	$ 9.358	$ 9.934	$ 10.293	$ 1.920	$ 2.292	$ 1.993	$ 2.162	$ 2.221	$ 2.278	$ 2.585	$ 2.274	$ 2.505	$ 2.456	$ 2.487	$ 2.487	$ 2.524	$ 2.556	$ 2.587	$ 2.626
Noninterest Expense, Ex-Credit	$ 39.096	$ 40.945	$ 43.179	$ 45.339	$ 9.511	$ 9.823	$ 9.847	$ 9.915	$ 9.907	$ 10.159	$ 10.398	$ 10.481	$ 10.569	$ 10.785	$ 10.862	$ 10.963	$ 11.123	$ 11.308	$ 11.377	$ 11.531
OREO expense	$ 0.105	$ 0.308	$ (0.163)	$ -	$ 0.029	$ 0.055	$ 0.058	$ (0.037)	$ 0.047	$ 0.029	$ 0.019	$ 0.213	$ (0.133)	$ (0.030)	$ -	$ -	$ -	$ -	$ -	$ -
Write-down of OREO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss (gain) on sale of OREO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NONINTEREST EXPENSE (core)	$ 39.201	$ 41.253	$ 43.016	$ 45.339	$ 9.540	$ 9.878	$ 9.905	$ 9.878	$ 9.954	$ 10.188	$ 10.417	$ 10.694	$ 10.436	$ 10.755	$ 10.862	$ 10.963	$ 11.123	$ 11.308	$ 11.377	$ 11.531
Pre-Tax Operating Income	$ 19.460	$ 18.523	$ 15.800	$ 15.225	$ 4.146	$ 4.464	$ 6.006	$ 4.844	$ 4.274	$ 3.982	$ 5.032	$ 5.235	$ 4.426	$ 4.021	$ 3.746	$ 3.607	$ 3.616	$ 3.659	$ 3.944	$ 4.006
Pre-Tax, Pre-Provision Operating Income	$ 19.795	$ 18.371	$ 16.594	$ 17.144	$ 4.323	$ 4.632	$ 6.055	$ 4.785	$ 4.149	$ 3.912	$ 5.050	$ 5.260	$ 4.496	$ 4.207	$ 4.002	$ 3.890	$ 3.946	$ 4.072	$ 4.467	$ 4.658
Pre-Tax, Pre-Credit Costs Operating Income	$ 19.900	$ 18.679	$ 16.431	$ 17.144	$ 4.352	$ 4.687	$ 6.113	$ 4.748	$ 4.196	$ 3.941	$ 5.069	$ 5.473	$ 4.363	$ 4.177	$ 4.002	$ 3.890	$ 3.946	$ 4.072	$ 4.467	$ 4.658
Gain (Loss) on sale of securities	$ -	$ (0.045)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (0.045)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Operating Revenues	$ 0.187	$ (0.067)	$ 0.226	$ -	$ -	$ -	$ 0.060	$ 0.127	$ 0.004	$ 0.005	$ -	$ (0.076)	$ -	$ 0.226	$ -	$ -	$ -	$ -	$ -	$ -
Non-Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Merger Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pre-Tax Income	$ 19.647	$ 18.411	$ 16.026	$ 15.225	$ 4.146	$ 4.464	$ 6.066	$ 4.971	$ 4.278	$ 3.942	$ 5.032	$ 5.159	$ 4.426	$ 4.247	$ 3.746	$ 3.607	$ 3.616	$ 3.659	$ 3.944	$ 4.006
Income Taxes	$ 4.182	$ 3.798	$ 3.427	$ 3.197	$ 0.891	$ 0.921	$ 1.318	$ 1.052	$ 0.789	$ 0.812	$ 1.081	$ 1.116	$ 0.963	$ 0.920	$ 0.787	$ 0.758	$ 0.759	$ 0.768	$ 0.828	$ 0.841
Tax Rate	21.29%	20.63%	21.38%	21.00%	21.5%	20.6%	21.7%	21.2%	18.4%	20.6%	21.5%	21.6%	21.8%	21.7%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Core Tax Rate	21.25%	21.30%	21.36%	21.00%	21.5%	20.6%	21.7%	21.2%	21.5%	20.6%	21.5%	21.6%	21.8%	21.7%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Net Income from Continuing Operations	$ 15.465	$ 14.613	$ 12.599	$ 12.027	$ 3.255	$ 3.543	$ 4.748	$ 3.919	$ 3.489	$ 3.130	$ 3.951	$ 4.043	$ 3.463	$ 3.327	$ 2.959	$ 2.850	$ 2.857	$ 2.890	$ 3.116	$ 3.164
Net Income from Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income	$ 15.465	$ 14.613	$ 12.599	$ 12.027	$ 3.255	$ 3.543	$ 4.748	$ 3.919	$ 3.489	$ 3.130	$ 3.951	$ 4.043	$ 3.463	$ 3.327	$ 2.959	$ 2.850	$ 2.857	$ 2.890	$ 3.116	$ 3.164
Preferred Dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gain (Loss) Attributable to Noncontrolling Interes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET INCOME AVAILABLE TO COMMON	$ 15.465	$ 14.613	$ 12.599	$ 12.027	$ 3.255	$ 3.543	$ 4.748	$ 3.919	$ 3.489	$ 3.130	$ 3.951	$ 4.043	$ 3.463	$ 3.327	$ 2.959	$ 2.850	$ 2.857	$ 2.890	$ 3.116	$ 3.164

Shares / Per Share Metrics	2021A	2022A	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Earnings Per Share (EPS) - Reported	$ 2.05	$ 1.92	$ 1.64	$ 1.57	$ 0.43	$ 0.47	$ 0.63	$ 0.52	$ 0.46	$ 0.41	$ 0.52	$ 0.53	$ 0.45	$ 0.43	$ 0.39	$ 0.37	$ 0.37	$ 0.38	$ 0.41	$ 0.41
Core EPS	**$ 2.03**	**$ 1.92**	**$ 1.62**	**$ 1.57**	**$ 0.43**	**$ 0.47**	**$ 0.62**	**$ 0.50**	**$ 0.44**	**$ 0.42**	**$ 0.52**	**$ 0.54**	**$ 0.45**	**$ 0.41**	**$ 0.39**	**$ 0.37**	**$ 0.37**	**$ 0.38**	**$ 0.41**	**$ 0.41**
Core EPS Growth (Annualized)	55.5%	-5.6%	-15.2%	-3.2%	-22.0%	34.5%	129.1%	-75.3%	-50.0%	-23.7%	99.8%	14.7%	-63.5%	-36.7%	-24.2%	-14.8%	1.0%	4.7%	31.2%	6.2%
PTPP/Avg. Shares	$ 2.62	$ 2.41	$ 2.17	$ 2.24	$ 0.57	$ 0.61	$ 0.80	$ 0.63	$ 0.55	$ 0.51	$ 0.66	$ 0.69	$ 0.59	$ 0.55	$ 0.52	$ 0.51	$ 0.52	$ 0.53	$ 0.58	$ 0.61
Avg. Diluted Shares o/s	7.546	7.607	7.652	7.655	7.523	7.537	7.560	7.565	7.595	7.607	7.608	7.620	7.644	7.655	7.655	7.655	7.655	7.655	7.655	7.655
EOP Shares	7.549	7.578	7.594	7.594	7.525	7.540	7.544	7.549	7.560	7.567	7.573	7.578	7.588	7.594	7.594	7.594	7.594	7.594	7.594	7.594
Dividend per Share	$ 0.49	$ 0.53	$ 0.56	$ 0.56	$ 0.12	$ 0.12	$ 0.12	$ 0.13	$ 0.13	$ 0.13	$ 0.13	$ 0.14	$ 0.14	$ 0.14	$ 0.14	$ 0.14	$ 0.14	$ 0.14	$ 0.14	$ 0.14
Dividend Payout Ratio	23.9%	27.6%	34.2%	35.6%	27.9%	25.5%	19.0%	25.0%	28.3%	31.7%	25.0%	26.4%	31.1%	32.6%	36.2%	37.6%	37.5%	37.1%	34.4%	33.9%
TBV / Share	$ 16.62	$ 13.59	$ 14.82	$ 15.84	$ 15.55	$ 16.22	$ 16.37	$ 16.62	$ 14.53	$ 13.50	$ 13.03	$ 13.59	$ 14.26	$ 14.33	$ 14.58	$ 14.82	$ 15.05	$ 15.29	$ 15.56	$ 15.84

Profitability Metrics	2021A	2022A	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
NIM	3.20%	3.11%	2.98%	2.98%	3.23%	3.20%	3.47%	3.01%	2.91%	2.93%	3.29%	3.42%	3.19%	3.02%	2.93%	2.89%	2.92%	2.94%	3.01%	3.05%
Core NIM	3.08%	3.14%	3.00%	2.98%	3.16%	3.11%	3.08%	2.95%	2.90%	2.93%	3.29%	3.42%	3.19%	3.00%	2.93%	2.89%	2.92%	2.94%	3.01%	3.05%
Core ROAA	1.01%	0.88%	0.72%	0.67%	0.91%	0.94%	1.22%	0.96%	0.83%	0.77%	0.95%	0.98%	0.82%	0.73%	0.68%	0.65%	0.65%	0.65%	0.69%	0.70%
Core PTPP ROAA	1.30%	1.11%	0.96%	0.96%	1.20%	1.23%	1.57%	1.20%	1.02%	0.95%	1.21%	1.25%	1.06%	0.97%	0.92%	0.89%	0.89%	0.91%	0.99%	1.03%
Core ROAE	11.12%	11.95%	10.02%	9.14%	9.60%	10.48%	13.39%	10.90%	9.78%	10.90%	13.28%	14.21%	11.54%	10.15%	9.46%	8.98%	8.88%	8.86%	9.41%	9.41%
Core ROTCE	12.62%	13.72%	11.41%	10.35%	10.96%	11.85%	15.30%	12.27%	11.41%	11.93%	15.74%	16.27%	13.12%	11.61%	10.78%	10.21%	10.08%	10.03%	10.64%	10.62%
Core ROTCE (ex-Reserve Release)	12.09%	13.65%	11.24%	10.26%	10.50%	11.65%	14.31%	11.88%	11.09%	11.86%	15.44%	16.21%	12.87%	11.10%	10.78%	10.21%	10.08%	9.95%	10.56%	10.45%
Core Efficiency	66.4%	69.2%	72.2%	72.6%	68.6%	67.7%	61.7%	67.6%	70.2%	72.0%	67.2%	65.7%	70.8%	72.1%	73.1%	73.8%	73.8%	73.5%	71.8%	71.2%
Core Fee Income / Operating Revs	23.3%	19.6%	18.9%	20.1%	23.8%	23.6%	22.0%	23.9%	23.9%	21.6%	17.3%	16.2%	17.2%	18.9%	19.5%	20.1%	20.1%	20.3%	20.1%	19.9%

First Community Corp. (FCCO) — Kevin P. Fitzsimmons 856-994-6062

($M, except Per Share Data)

Average Balance Sheet	2021A	2022A	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Avg. PPP	$ 35.0	$ 0.4	$ 0.1	$ -	$ 52.0	$ 54.5	$ 28.2	$ 5.3	$ 0.9	$ 0.3	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.1	$ -	$ -	$ -	$ -	$ -
Avg. Loans (ex-PPP)	$ 854.0	$ 919.7	$ 1,024.4	$ 1,087.0	$ 834.3	$ 841.1	$ 865.7	$ 874.7	$ 875.5	$ 896.4	$ 938.1	$ 968.8	$ 986.3	$ 1,017.0	$ 1,039.9	$ 1,054.2	$ 1,066.0	$ 1,078.0	$ 1,092.9	$ 1,111.2
Avg. Total Loans	$ 889.0	$ 920.1	$ 1,024.5	$ 1,087.0	$ 886.4	$ 895.6	$ 893.9	$ 880.0	$ 876.3	$ 896.6	$ 938.3	$ 969.0	$ 986.5	$ 1,017.2	$ 1,040.0	$ 1,054.2	$ 1,066.0	$ 1,078.0	$ 1,092.9	$ 1,111.2
Avg. Securities	$ 456.3	$ 570.5	$ 562.2	$ 564.0	$ 373.3	$ 430.9	$ 488.5	$ 532.4	$ 571.8	$ 560.4	$ 581.0	$ 568.8	$ 565.1	$ 562.6	$ 561.2	$ 559.8	$ 559.8	$ 562.6	$ 565.4	$ 568.3
Avg. Other Earning Assets	$ 73.4	$ 50.6	$ 32.8	$ 25.0	$ 79.3	$ 77.8	$ 58.5	$ 78.1	$ 67.2	$ 72.8	$ 37.5	$ 24.9	$ 30.1	$ 42.6	$ 30.9	$ 27.7	$ 26.4	$ 25.8	$ 24.5	$ 23.2
Avg. Earning Assets	$ 1,418.7	$ 1,541.2	$ 1,619.5	$ 1,676.0	$ 1,339.1	$ 1,404.2	$ 1,441.0	$ 1,490.5	$ 1,515.4	$ 1,529.8	$ 1,556.9	$ 1,562.7	$ 1,581.8	$ 1,622.4	$ 1,632.1	$ 1,641.7	$ 1,652.2	$ 1,666.4	$ 1,682.8	$ 1,702.6
Avg. Total Assets	$ 1,519.9	$ 1,652.8	$ 1,733.8	$ 1,790.1	$ 1,435.3	$ 1,507.7	$ 1,542.8	$ 1,593.7	$ 1,622.3	$ 1,643.9	$ 1,667.7	$ 1,677.1	$ 1,695.7	$ 1,737.0	$ 1,746.6	$ 1,756.0	$ 1,766.4	$ 1,780.6	$ 1,796.8	$ 1,816.4
Avg. Deposits	$ 1,292.2	$ 1,417.4	$ 1,410.8	$ 1,476.4	$ 1,208.1	$ 1,285.1	$ 1,312.6	$ 1,363.2	$ 1,374.8	$ 1,428.0	$ 1,450.0	$ 1,416.9	$ 1,381.7	$ 1,409.1	$ 1,420.2	$ 1,432.1	$ 1,446.9	$ 1,465.1	$ 1,485.2	$ 1,508.4
Avg. Total Borrowings	$ 77.2	$ 100.7	$ 185.7	$ 175.8	$ 78.3	$ 75.4	$ 77.8	$ 77.1	$ 97.5	$ 87.1	$ 86.6	$ 131.5	$ 179.5	$ 189.4	$ 188.0	$ 185.7	$ 181.5	$ 177.5	$ 173.8	$ 170.3
Avg. IB-Liabilities	$ 946.5	$ 1,048.9	$ 1,150.3	$ 1,215.2	$ 896.5	$ 940.2	$ 959.9	$ 989.6	$ 1,023.0	$ 1,048.8	$ 1,054.1	$ 1,069.7	$ 1,102.6	$ 1,146.0	$ 1,168.2	$ 1,184.3	$ 1,196.0	$ 1,208.0	$ 1,221.2	$ 1,235.5
Avg. Total Liabilities	$ 1,382.0	$ 1,530.8	$ 1,610.8	$ 1,666.5	$ 1,299.7	$ 1,372.5	$ 1,402.4	$ 1,453.5	$ 1,485.0	$ 1,527.8	$ 1,548.7	$ 1,561.6	$ 1,575.6	$ 1,612.9	$ 1,622.6	$ 1,632.1	$ 1,642.7	$ 1,656.9	$ 1,673.3	$ 1,693.1
Avg. Shareholders Equity	$ 137.8	$ 121.9	$ 124.1	$ 131.6	$ 135.6	$ 135.2	$ 140.4	$ 140.2	$ 137.2	$ 116.1	$ 119.0	$ 115.5	$ 120.1	$ 124.2	$ 125.1	$ 126.9	$ 128.7	$ 130.5	$ 132.5	$ 134.6
Avg. Tangible Common Equity	$ 121.4	$ 106.2	$ 108.9	$ 116.3	$ 118.8	$ 119.6	$ 122.9	$ 124.5	$ 117.7	$ 106.0	$ 100.4	$ 100.8	$ 105.6	$ 108.5	$ 109.8	$ 111.6	$ 113.4	$ 115.2	$ 117.2	$ 119.2
EOP Balance Sheet	2021A	2022A	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
PPP	$ 1.5	$ 0.2	$ -	$ -	$ 61.8	$ 47.2	$ 9.1	$ 1.5	$ 0.3	$ 0.3	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ -	$ -	$ -	$ -	$ -	$ -
Loans (ex-PPP)	$ 862.2	$ 980.6	$ 1,060.7	$ 1,121.4	$ 807.2	$ 831.1	$ 872.4	$ 862.2	$ 875.5	$ 916.1	$ 950.0	$ 980.6	$ 992.5	$ 1,032.2	$ 1,047.6	$ 1,060.7	$ 1,071.4	$ 1,084.7	$ 1,101.0	$ 1,121.4
Total Loans	$ 863.7	$ 980.9	$ 1,060.7	$ 1,121.4	$ 869.1	$ 878.3	$ 881.5	$ 863.7	$ 875.8	$ 916.3	$ 950.2	$ 980.9	$ 992.7	$ 1,032.3	$ 1,047.6	$ 1,060.7	$ 1,071.4	$ 1,084.7	$ 1,101.0	$ 1,121.4
Total Assets	$ 1,584.5	$ 1,672.9	$ 1,804.3	$ 1,901.8	$ 1,492.5	$ 1,515.0	$ 1,560.3	$ 1,584.5	$ 1,652.3	$ 1,684.8	$ 1,651.8	$ 1,672.9	$ 1,735.4	$ 1,741.0	$ 1,780.0	$ 1,804.3	$ 1,824.6	$ 1,845.1	$ 1,870.5	$ 1,901.8
Non-IB Deposits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Deposits	$ 1,361.3	$ 1,385.4	$ 1,443.9	$ 1,520.9	$ 1,271.4	$ 1,289.9	$ 1,333.6	$ 1,361.3	$ 1,430.7	$ 1,469.0	$ 1,436.3	$ 1,385.4	$ 1,420.2	$ 1,420.8	$ 1,431.9	$ 1,443.9	$ 1,458.8	$ 1,477.1	$ 1,497.4	$ 1,520.9
Total Liabilities	$ 1,430.5	$ 1,519.1	$ 1,621.9	$ 1,682.5	$ 1,346.7	$ 1,365.3	$ 1,408.4	$ 1,430.5	$ 1,513.8	$ 1,555.7	$ 1,524.9	$ 1,519.1	$ 1,597.1	$ 1,602.8	$ 1,612.5	$ 1,621.9	$ 1,632.4	$ 1,646.6	$ 1,662.9	$ 1,682.5
Liquidity Ratios																				
Loans / Deposits	63.4%	70.8%	73.5%	73.7%	68.4%	68.1%	66.1%	63.4%	61.2%	62.4%	66.2%	70.8%	69.9%	72.7%	73.2%	73.5%	73.4%	73.4%	73.5%	73.7%
Avg. Earning Assets / Avg. Assets	93.3%	93.3%	93.4%	93.6%	93.3%	93.1%	93.4%	93.5%	93.4%	93.1%	93.4%	93.2%	93.3%	93.4%	93.4%	93.5%	93.5%	93.6%	93.7%	93.7%
Avg. Borrowings / Avg. Liabilities	5.6%	6.6%	11.5%	10.5%	6.0%	5.5%	5.6%	5.3%	6.6%	5.7%	5.6%	8.4%	11.4%	11.7%	11.6%	11.4%	11.0%	10.7%	10.4%	10.1%
Capital Analysis	2021A	2022A	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Beginning Total Equity															$ 124.1	$ 126.0	$ 127.8	$ 129.6	$ 131.5	$ 133.5
+ Net Income															$ 3.0	$ 2.8	$ 2.9	$ 2.9	$ 3.1	$ 3.2
- Dividends															$ 1.1	$ 1.1	$ 1.1	$ 1.1	$ 1.1	$ 1.1
- Cost of Share Repurchases															$ -	$ -	$ -	$ -	$ -	$ -
+ Shares Issued (M&A less cash paid; raises)															$ -	$ -	$ -	$ -	$ -	$ -
+ Net Other																				
Ending Shareholders Equity	$ 141.0	$ 118.4	$ 127.8	$ 135.6	$ 132.7	$ 137.9	$ 139.1	$ 141.0	$ 125.4	$ 117.6	$ 114.1	$ 118.4	$ 123.6	$ 124.1	$ 126.0	$ 127.8	$ 129.6	$ 131.5	$ 133.5	$ 135.6
Less: Intangible Assets	$ 15.6	$ 15.4	$ 15.3	$ 15.3	$ 15.7	$ 15.6	$ 15.6	$ 15.6	$ 15.5	$ 15.5	$ 15.4	$ 15.4	$ 15.4	$ 15.3	$ 15.3	$ 15.3	$ 15.3	$ 15.3	$ 15.3	$ 15.3
Less: Preferred Equity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tangible Common Equity	$ 125.4	$ 103.0	$ 112.5	$ 120.3	$ 117.0	$ 122.3	$ 123.5	$ 125.4	$ 109.9	$ 102.1	$ 98.7	$ 103.0	$ 108.2	$ 108.8	$ 110.7	$ 112.5	$ 114.3	$ 116.1	$ 118.2	$ 120.3
Tangible Assets	$ 1,569.0	$ 1,657.5	$ 1,789.0	$ 1,886.5	$ 1,476.8	$ 1,499.3	$ 1,544.7	$ 1,569.0	$ 1,636.8	$ 1,669.3	$ 1,636.4	$ 1,657.5	$ 1,720.0	$ 1,725.7	$ 1,764.7	$ 1,789.0	$ 1,809.2	$ 1,829.8	$ 1,855.2	$ 1,886.5
Tier 1 Capital					$ 122.9	$ 125.7	$ 129.7	$ 132.9	$ 135.6	$ 137.9	$ 137.9	$ 145.6	$ 147.9	$ 150.4	$ 152.3	$ 154.10	$ 155.9	$ 157.7	$ 159.8	$ 161.87
Total Capital					$ 133.4	$ 136.4	$ 140.8	$ 144.1	$ 146.6	$ 149.1	$ 149.1	$ 156.9	$ 159.7	$ 162.4	$ 164.3	$ 166.12	$ 167.9	$ 169.7	$ 171.8	$ 173.89
CET-1					$ 122.9	$ 125.7	$ 129.7	$ 132.9	$ 135.6	$ 137.9	$ 137.9	$ 145.6	$ 147.9	$ 150.4	$ 152.3	$ 154.10	$ 155.9	$ 157.7	$ 159.8	$ 161.87
Risk Weighted Assets					$ 1,114.2	$ 1,131.0	$ 1,164.8	$ 1,182.9	$ 1,233.5	$ 1,257.8	$ 1,233.1	$ 1,248.9	$ 1,295.5	$ 1,299.7	$ 1,328.8	$ 1,346.93	$ 1,362.1	$ 1,377.4	$ 1,396.4	$ 1,419.76
TBV / Share (calc)	$ 16.62	$ 13.59	$ 14.82	$ 15.84	$ 15.55	$ 16.22	$ 16.37	$ 16.62	$ 14.53	$ 13.50	$ 13.03	$ 13.59	$ 14.26	$ 14.33	$ 14.58	$ 14.82	$ 15.05	$ 15.29	$ 15.56	$ 15.84
Shares Repurchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Avg. Share Effect of Shares Issued																				
Capital Ratios																				
Total Capital / Risk Weighted Assets	12.18%	12.56%	12.33%	12.25%	14.26%	12.06%	12.08%	12.18%	11.89%	14.57%	12.09%	12.56%	12.33%	12.50%	12.37%	12.33%	12.33%	12.32%	12.30%	12.25%
Tier-1 / Risk Weighted Assets	11.24%	11.66%	11.44%	11.40%	13.13%	11.12%	11.14%	11.24%	10.99%	13.47%	11.18%	11.66%	11.41%	11.57%	11.46%	11.44%	11.45%	11.45%	11.44%	11.40%
Leverage Ratio	8.42%	8.76%	8.85%	8.99%	8.70%	8.43%	8.51%	8.42%	8.46%	8.34%	8.36%	8.76%	8.80%	8.74%	8.80%	8.85%	8.90%	8.93%	8.97%	8.99%
CET-1 / Risk Weighted Assets	11.24%	11.66%	11.44%	11.40%	13.13%	11.12%	11.14%	11.24%	10.99%	13.47%	11.18%	11.66%	11.41%	11.57%	11.46%	11.44%	11.45%	11.45%	11.44%	11.40%
TCE/TA	8.00%	6.21%	6.29%	6.38%	7.92%	8.16%	8.00%	8.00%	6.71%	6.12%	6.03%	6.21%	6.29%	6.31%	6.27%	6.29%	6.32%	6.35%	6.37%	6.38%
Asset Quality	2021A	2022A	2023E	2024E	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E
Provision / Avg. Loans (ann'l)	0.04%	-0.02%	0.08%	0.18%	0.08%	0.08%	0.02%	-0.03%	-0.06%	-0.03%	0.01%	0.01%	0.03%	0.07%	0.10%	0.11%	0.12%	0.15%	0.19%	0.23%
NCOs / Avg. Loans (ann'l %)	-0.05%	-0.02%	0.02%	0.13%	0.00%	0.04%	-0.15%	-0.10%	0.00%	-0.04%	-0.03%	0.00%	-0.01%	0.00%	0.03%	0.05%	0.08%	0.11%	0.14%	0.18%
Assumed ALLL for New Loans															1.15%	1.15%	1.10%	1.10%	1.05%	1.05%
Assumed Add/Release from ALLL															0.00%	0.00%	0.00%	-0.25%	-0.25%	-0.50%
Projected NCOs ($)															$ 0.078	$ 0.132	$ 0.213	$ 0.296	$ 0.383	$ 0.500
Provision for New Loans															$ 0.178	$ 0.151	$ 0.117	$ 0.147	$ 0.171	$ 0.214
Add/Release from ALLL															$ -	$ -	$ -	$ (0.03)	$ (0.03)	$ (0.06)
Required Provision															$ 0.256	$ 0.282	$ 0.330	$ 0.414	$ 0.523	$ 0.653
Beginning ALLL															$ 11.554	$ 11.732	$ 11.883	$ 11.999	$ 12.117	$ 12.257
- NCOs															$ 0.078	$ 0.132	$ 0.213	$ 0.296	$ 0.383	$ 0.500
+ Provision															$ 0.256	$ 0.282	$ 0.330	$ 0.414	$ 0.523	$ 0.653
Ending ALLL	$ 11.179	$ 11.336	$ 11.883	$ 12.410	$ 10.563	$ 10.638	$ 11.025	$ 11.179	$ 11.063	$ 11.220	$ 11.315	$ 11.336	$ 11.420	$ 11.554	$ 11.732	$ 11.883	$ 11.999	$ 12.117	$ 12.257	$ 12.410
ALLL / Loans	1.29%	1.16%	1.12%	1.11%	1.22%	1.21%	1.25%	1.29%	1.26%	1.22%	1.19%	1.16%	1.15%	1.12%	1.12%	1.12%	1.12%	1.12%	1.11%	1.11%
ALLL / Loans (ex-PPP)	1.30%	1.16%	1.12%	1.11%	1.31%	1.28%	1.26%	1.30%	1.26%	1.22%	1.19%	1.16%	1.15%	1.12%	1.12%	1.12%	1.12%	1.12%	1.11%	1.11%
Provision for Loan Losses	$ 0.335	$ (0.152)	$ 0.794	$ 1.919	$ 0.177	$ 0.168	$ 0.049	$ (0.059)	$ (0.125)	$ (0.070)	$ 0.018	$ 0.025	$ 0.070	$ 0.186	$ 0.256	$ 0.282	$ 0.330	$ 0.414	$ 0.523	$ 0.653
Net Charge-Offs	$ (0.456)	$ (0.174)	$ 0.205	$ 1.392	$ 0.002	$ 0.093	$ (0.338)	$ (0.213)	$ (0.008)	$ (0.093)	$ (0.077)	$ 0.004	$ (0.015)	$ 0.010	$ 0.078	$ 0.132	$ 0.213	$ 0.296	$ 0.383	$ 0.500
Excess Provision (LLP less NCOs)	$ 0.791	$ 0.022	$ 0.590	$ 0.527	$ 0.175	$ 0.075	$ 0.387	$ 0.154	$ (0.117)	$ 0.023	$ 0.095	$ 0.021	$ 0.085	$ 0.176	$ 0.178	$ 0.151	$ 0.117	$ 0.117	$ 0.141	$ 0.153

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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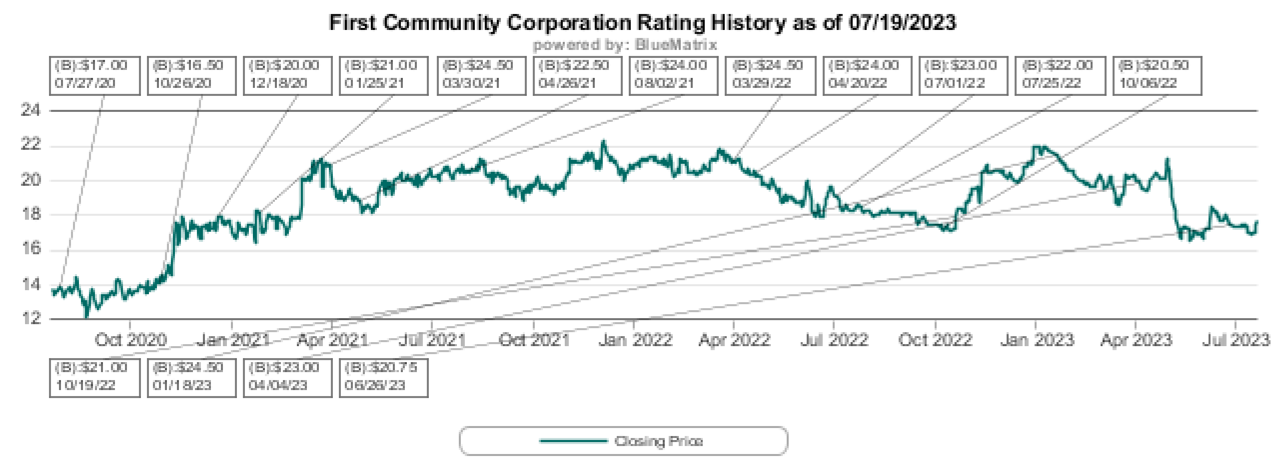
Rating Information
D.A. Davidson & Co.'s Institutional Research Rating Scale Definitions (maintained since October 10, 2017); information regarding our previous definitions is available upon request:
BUY: Expected to produce a total return of over 15% on a risk adjusted basis over the next 12-18 months
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 6/30/23)	Coverage Universe Distribution			Investment Banking Distribution		
	IR	WMR	Combined	IR	WMR	Combined
BUY (Buy)	60%	90%	63%	10%	0%	9%
NEUTRAL (Hold)	40%	10%	37%	6%	0%	5%
UNDERPERFORM (Sell)	0%	0%	0%	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.

Other Disclosures

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Other Companies Mentioned in this Report

Company Name	Ticker	Rating	Price
First Community Corporation	FCCO	BUY	$17.73