

First Community Corp.

Outperform
FCCO (NASDAQ)
Price \$23.58
Price Target \$29.00

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Financial Summary

As of March 31, 2025

Assets (\$M)	\$2,039
Tangible Book Value	\$17.56
Tang. Common Eq. / Tang. Assets	6.7%
ROA	0.81%
ROE	11.0%
Net Interest Margin	3.13%

Market Data

Market Cap (\$M)	\$181
Price / Tang. Book	1.34x
52-Week Range	\$15.61 - \$27.96
3-Mo. Avg. Daily Volume	59,480
Dividends	\$0.60
Dividend Yield	2.54%
Shares Outstanding (M)	7.7

Price Performance

First Community Corporation vs. NASDAQ Bank Index



Company Description

First Community Corporation is the holding company for First Community Bank, a community bank based headquartered in Lexington, SC and operates in the Midlands, Aiken, and Greenville, South Carolina markets as well as Augusta, Georgia.

Raising Estimates and Price Target Following Another Strong Quarter From FCCO; Reiterating Outperform Rating

EPS ESTIMATES

	Mar	Jun	Sep	Dec	Year	Growth	Est. Change	P/E
2024A	\$0.34	\$0.41	\$0.50	\$0.57	\$1.82	10.8%	--	12.9x
2025E	\$0.51A	\$0.55	\$0.58	\$0.57	\$2.21	21.3%	\$0.20	10.7x
2026E	\$0.52	\$0.61	\$0.64	\$0.65	\$2.41	9.0%	\$0.26	9.8x

Conclusion

Following 1Q25 earnings (see for First Look thoughts - [link](#)), we are adjusting our 2025/26 EPS estimates to \$2.21 (+\$0.20) and \$2.41 (+\$0.26), respectively, reflecting a higher NIM forecast in both years. **While the shares handily outperformed the KRE yesterday (up 6.1% vs KRE 2.3%), we reiterate our Outperform rating on a \$29 Price Target (up \$1) - equating to 12x our 2026 EPS estimate.**

- **Loan Growth Reflects Remains Strong.** EOP loan growth was 10.4% LQA (+\$14.6M to our modeling) with Commercial loan production of \$53.6M (up 62% relative to 4Q24 production) with advances of unfunded commercial construction loans of another \$9M. We forecast overall loan growth of 7% during 2025 and 2026 which is consistent with our previous modeling as management believes it can achieve a mid-to-high single digit growth rate (was 8% in 2024). The company has been fairly proactive in reaching out to Commercial clients to gauge the impact of new Trump administration policies and thus far, and consistent with other bank management teams we have heard from, the overall theme was "too soon to tell" with many beginning to position their businesses for any supply chain disruptions. Some will also pass on higher tariffs or other costs to consumers in the form of higher prices especially in the Construction book per management where contracts are already in place for construction.
- **NIM Continues to Grind Higher.** Spread income was \$0.04/share higher than our model as the NIM of 3.13% was 7bps better than our expectations on 13bps of expansion LQ and accompanied by higher levels of Average Earning Assets than modeled. While the quarter end NIM was slightly below this level, management remains confident in the outlook for further NIM expansion but likely more in the single digit growth range in 2Q25. Management notes new loan pricing remains healthy for renewing Loans in the high 6% range (average origination yield of 6.89% in the quarter) although new CRE credits have been priced down to the mid-6% range. Near-term loan repricing implies yields increasing from the mid-5% range to the mid-to-high 6% range noted above. Thus, we have increased our 2025 NIM outlook by 4bps following the quarterly upside surprise to 3.18% while our 2026 NIM forecasts jumps 10bps to 3.22%.
- **Asset Quality Still A Bright Spot.** One of the consistent hallmarks of the First Community Corporation story, in our view, is the stellar Asset quality that continues to pull through into the new year. Overall Classified/Criticized Loan levels remained extremely low at only 0.13% of EOP Loans (down 6bps LQ) while NPAs to Loans are 2bps. That said, due to stronger Loan growth this quarter and re-weighting of certain modeling inputs tied to economic forecasting scenarios the \$462K LLP included about \$125K related to these qualitative factors. This

Important Disclosures regarding Price Target Risks, Valuation Methodology, Regulation Analyst Certification, Investment Banking, Ratings Definitions, and any potential conflicts of interest begin on page 7 of this report. Past performance is no guarantee of future results.

pushed the ACL/Loans higher by 1bps and FCCO exited 1Q25 with an ACL/Loan ratio of 1.09%.

- **Operating Expense and Fee Income Discussion.** Fee income growth of 3.8% LQ was \$0.05/share above our estimate as the company continued to grow Assets Under Management within the Wealth segment (now just below record levels at \$893M compared to \$926M at year-end 2024) as these fees rose ~5.0% LQ/33% YOY. Mortgage banking witnessed strong growth of 7.1% as production of \$43.9M increased from \$41.8M last quarter with Gains on Sale from secondary market operations rising to \$755K from \$707K last quarter on relatively stable margins of 2.93%. Total Operating Expenses increased 7.8% LQ and were a penny above our modeling.

Exhibit 1: FCCO 1Q25 Variance Table

Actuals vs. Hovde and Consensus

(\$M) FCCO	Estimates		Actual 1Q25	Actuals vs:					
	Hovde	Cons.		Hovde			Consensus		
				\$ Diff.		P/S	\$ Diff.		P/S
Net Interest Income	14.0	14.0	14.4	0.4	▲	\$0.04	0.5	▲	\$0.05
NIM	3.06%	3.08%	3.13%	7 bps	▲		5 bps	▲	
Fee Income	3.5	3.5	4.0	0.5	▲	\$0.05	0.5	▲	\$0.05
Revenue	17.5	17.4	18.4	0.9	▲	\$0.09	1.0	▲	\$0.10
Expenses	12.6	12.5	12.8	(0.1)	▲	(\$0.01)	(0.3)	▲	(\$0.03)
Core PPNR	4.8	-	5.7	0.8	▲	\$0.08	-		-
PPNR	4.8	4.9	5.7	0.8	▲	\$0.08	0.8	▲	\$0.08
Provision	0.5	0.4	0.4	0.0	▼	\$0.00	(0.1)	▲	(\$0.01)
Tax Rate	23%	23%	23%		▼			▲	
EPS	\$0.43	-	\$0.51		▲	\$0.08			
Core EPS	\$0.43	\$0.45	\$0.51		▲	\$0.08		▲	\$0.06
TBVPS	\$17.35	\$17.28	\$17.56		▲	\$0.21		▲	\$0.28
Diluted Shares	7.7	7.7	7.8						
<u>Profitability</u>									
ROA	0.68%	0.73%	0.81%	12 bps	▲		8 bps	▲	
ROTCE	10.4%	-	12.3%	189 bps	▲				
Efficiency Ratio	72%	70%	69%	-307 bps	▼		-70 bps	▼	
<u>Balance Sheet</u>									
Avg Earning Assets	1,857	1,844	1,872	15	▲		28	▲	
EOP Loans	1,237	1,240	1,252	15	▲		12	▲	
Loans/Deposits	73%	74%	73%						
TCE Ratio	6.75%	-	6.66%	-8 bps	▼				
<u>Credit</u>									
Net Charge-Off Ratio	0.04%	0.03%	0.00%	-4 bps	▼		-3 bps	▼	
LLP/Loans	0.16%	0.12%	0.15%						

Source: Company Filings, S&P Global Market Intelligence, and FactSet

Exhibit 2: FCCO Estimate Change Summary

Current Estimates vs. Prior

(FCCO)	2025E					2026E				
	Estimates		Change			Estimates		Change		
	Prior	Current	\$ Diff.	▲/▼	P/S	Prior	Current	\$ Diff.	▲/▼	P/S
Net Interest Income	59.1	61.3	2.2	▲	\$0.22	60.8	64.7	3.8	▲	\$0.38
NIM	3.14%	3.18%	4 bps	▲		3.11%	3.22%	10 bps	▲	
Fee Income	15.0	15.9	0.8	▲	\$0.08	16.2	16.6	0.5	▲	\$0.05
Revenue	74.1	77.2	3.1	▲	\$0.30	77.0	81.3	4.3	▲	\$0.43
Expenses	51.5	52.2	(0.8)	▲	(\$0.08)	53.5	55.0	(1.5)	▲	(\$0.15)
Core PPNR	22.6	24.9	2.3	▲	\$0.23	23.5	26.3	2.8	▲	\$0.28
PPNR	22.6	24.9	2.3	▲	\$0.23	23.5	26.3	2.8	▲	\$0.28
Provision	2.4	2.4	(0.0)	▲	(\$0.00)	2.2	2.1	0.1	▼	\$0.01
Tax Rate	23%	23%		▲		23%	24%		▲	
EPS	\$2.01	\$2.21		▲	\$0.20	\$2.16	\$2.41		▲	\$0.25
Core EPS	\$2.01	\$2.21		▲	\$0.20	\$2.16	\$2.41		▲	\$0.25
TBVPS	\$18.87	\$19.20		▲	\$0.34	\$20.91	\$21.50		▲	\$0.59
Diluted Shares	7.7	7.8				7.6	7.7			
<u>Profitability</u>										
ROA	0.78%	0.84%	6 bps	▲		0.79%	0.87%	7 bps	▲	
ROTCE	11.4%	12.4%	97 bps	▲		10.8%	11.9%	105 bps	▲	
Efficiency Ratio	69%	68%	-177 bps	▼		69%	68%	-185 bps	▼	
<u>Balance Sheet</u>										
Avg Earning Assets	1,882	1,927	44	▲		1,954	2,011	57	▲	
EOP Loans	1,295	1,308	13	▲		1,379	1,397	19	▲	
Loans/Deposits	72%	72%				72%	71%			
TCE Ratio	7.13%	7.09%	-4 bps	▼		7.58%	7.61%	3 bps	▲	
<u>Credit</u>										
Net Charge-Off Ratio	0.06%	0.05%	-1 bps	▼		0.09%	0.09%	0 bps	▼	
LLP/Loans	0.19%	0.19%				0.16%	0.15%			
LLR/Loans	1.14%	1.14%				1.14%	1.13%			

Source: Company Filings

Exhibit 3: FCCO Comparable Group

Ticker	Company Name	4/23 Price	Mkt Cap (\$M)	Assets (\$M)	Valuation						Profitability (LTM; %)				Balance Sheet (MRQ; %)				Credit (MRQ; %)			CAGRs				Price Perf. (%)			
					Price/Earnings ¹			Price/ TBV	Dvd Yield	Dep. Prem.	ROA	ROTCE	NIM	Eff. Ratio	LTD Ratio	Core Dep. ²	COFs	TCE Ratio	NCOs (LTM)	NPAs/ Assets	LLR/ Loans	EPS		TBVPS		1M	3M	YTD	1YR
					LTM	'25E	'26E															'16-'21	'21-'24E	'16-'21	'21-'24E				
COSO	CoastalSouth Bcsbs	\$20.03	\$204	\$2,099	8.5x	-	-	1.08x	-	0.8%	1.05	12.6	3.33	57.1	76.8	88.7	NA	9.08	0.01	0.75	1.08	-271%	-	-5%	-	(4.6)	(6.9)	(8.7)	25.2
CARE	Carter Bkshs	\$15.35	\$353	\$4,659	14.9x	7.8x	8.0x	0.92x	0.0%	-0.7%	0.54	6.6	2.58	81.8	87.3	91.1	NA	8.25	0.46	5.58	2.09	14%	-12%	2%	5%	(6.9)	(13.7)	(12.8)	32.3
CBAN	Colony Bkcp Inc	\$15.33	\$267	\$3,110	10.2x	9.3x	8.2x	1.18x	3.0%	1.6%	0.78	11.7	2.72	69.2	71.8	84.6	2.20	7.42	0.16	0.36	1.01	15%	-9%	3%	6%	(5.9)	(9.6)	(5.0)	43.3
FVCB	FVCBankcorp Inc	\$10.98	\$193	\$2,241	-	10.5x	9.5x	0.86x	-	-2.2%	0.86	8.5	2.70	59.6	98.7	88.6	2.79	10.52	0.04	NA	0.98	19%	-12%	13%	3%	7.9	(7.5)	(12.6)	(1.3)
FBK	FB Finl Corp	\$41.90	\$1,916	\$13,136	12.3x	11.6x	9.6x	1.44x	1.8%	5.0%	0.99	10.1	3.54	58.1	87.2	94.1	2.53	10.51	0.17	0.42	1.51	14%	-8%	16%	8%	(11.3)	(20.1)	(18.7)	11.3
FBNC	First Bancorp	\$38.73	\$1,583	\$12,148	14.4x	11.8x	10.8x	1.70x	2.3%	6.1%	0.63	8.9	2.91	58.5	76.9	95.6	1.63	8.11	0.07	0.30	1.51	19%	-9%	12%	1%	(4.4)	(11.6)	(11.9)	16.6
FCBC	First Comm Bkshs	\$38.87	\$728	\$3,226	13.4x	15.5x	14.9x	2.10x	3.2%	14.5%	1.57	14.7	4.40	57.1	88.8	99.1	0.74	11.08	0.21	0.63	1.42	15%	-2%	5%	9%	1.7	(7.4)	(6.7)	18.5
FRST	Primis Financial C	\$8.46	\$208	\$3,699	92.5x	6.2x	5.0x	0.79x	4.7%	-1.8%	-0.41	-2.3	2.86	83.4	91.7	92.5	2.99	7.39	1.48	0.25	1.38	9%	-37%	6%	-3%	(14.8)	(24.3)	(27.4)	(22.0)
HTB	HomeTrust Bcsbs	\$34.81	\$597	\$4,595	10.2x	11.4x	10.9x	1.19x	1.4%	2.3%	1.23	11.6	4.08	58.9	96.5	90.6	2.39	11.22	0.28	0.60	1.17	8%	82%	3%	14%	2.3	(3.1)	3.4	40.2
SFST	Southern First	\$33.72	\$275	\$4,284	-	12.6x	11.2x	0.82x	-	-1.7%	0.44	5.6	2.18	75.1	101.7	87.4	NA	7.88	0.03	0.26	1.10	25%	-40%	16%	6%	1.5	(8.9)	(15.2)	16.8
SSBK	Sthrn States Bcsbs	\$32.76	\$318	\$2,851	8.3x	8.1x	7.9x	1.31x	1.1%	2.9%	1.34	16.8	3.66	46.2	93.2	90.0	2.89	8.84	0.04	0.25	1.28	6%	32%	5%	17%	0.6	0.2	(1.7)	35.4
SMBK	SmartFinancial Inc	\$30.00	\$515	\$5,411	12.7x	11.5x	10.0x	1.27x	1.1%	2.3%	0.75	10.6	3.13	68.2	83.0	92.9	2.38	7.57	0.05	0.19	0.96	23%	-5%	6%	10%	(3.4)	(14.3)	(3.2)	52.6
Peer Median			\$335	\$3,992	12.5x	11.4x	9.6x	1.19x	1.8%	1.9%	0.82	10.3	3.02	59.3	88.0	90.8	2.39	8.55	0.12	0.36	1.23	14%	-9%	5%	6%	(3.9)	(9.3)	(10.3)	21.8
FCCO	First Cmnty Corp	\$23.41	\$170	\$2,039	-	10.7x	9.0x	1.33x	2.6%	2.1%	0.80	12.3	3.00	69.4	72.5	87.5	1.92	6.66	0.00	0.03	1.08	16%	-8%	8%	2%	5.9	(9.8)	(2.5)	38.2

¹Based on consensus EPS estimates

²Core deposits as % of total non-equity funding

Source: S&P Global Market Intelligence and FactSet

First Community Corporation (FCCO)

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Summary Model																									
(SM)	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	3Q23A	4Q23A	1Q24A	2Q24A	3Q24A	4Q24A	1Q25A	2Q25E	3Q25E	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2022A	2023A	2024A	2025E	2026E
Income Statement																									
Net Interest Income	10.9	11.2	12.9	13.5	12.5	12.2	12.2	12.3	12.1	12.7	13.4	13.9	14.4	15.3	15.7	15.8	15.6	15.9	16.4	16.7	48.5	49.2	52.2	61.3	64.7
Noninterest Income	3.4	3.0	2.7	2.5	2.6	2.8	3.1	2.9	3.2	3.5	3.6	3.8	4.0	3.9	4.0	4.0	3.8	4.2	4.4	4.2	11.6	11.4	14.1	15.9	16.6
Total Revenue	14.2	14.2	15.6	16.0	15.0	15.0	15.2	15.3	15.3	16.3	17.0	17.7	18.4	19.2	19.7	19.8	19.5	20.1	20.8	20.9	60.1	60.6	66.3	77.2	81.3
Noninterest Expense	10.0	10.2	10.4	10.7	10.4	10.8	11.3	10.7	11.8	11.8	12.0	11.8	12.8	12.9	13.2	13.4	13.7	13.5	13.8	14.0	41.3	43.1	47.5	52.2	55.0
Pre-tax, Pre-provision Income	4.3	4.0	5.2	5.3	4.6	4.3	4.0	4.6	3.5	4.4	5.0	5.9	5.7	6.3	6.6	6.4	5.8	6.6	7.0	6.9	18.8	17.4	18.9	24.9	26.3
Loan Loss Provision	(0.1)	(0.1)	0.0	0.0	0.1	0.2	0.5	0.4	0.1	0.5	(0.0)	0.2	0.4	0.6	0.7	0.6	0.6	0.5	0.6	0.4	(0.2)	0.9	0.9	2.4	2.1
Taxable Equivalent Adjustment	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	-	-	-	-	-	-	-	0.5	0.3	0.2	0.1	-
Pre-tax Earnings	4.4	4.1	5.2	5.3	4.5	4.3	2.3	4.2	3.4	4.1	5.0	5.4	5.2	5.6	5.8	5.8	5.2	6.1	6.4	6.5	18.9	15.5	17.8	22.5	24.2
Taxes	0.9	0.9	1.2	1.2	1.1	1.0	0.5	0.9	0.8	0.8	1.2	1.2	1.2	1.3	1.4	1.4	1.2	1.4	1.5	1.5	4.3	3.5	4.0	5.3	5.7
Tax Rate (%)	18%	21%	21%	22%	22%	22%	21%	20%	22%	19%	23%	22%	23%	24%	24%	24%	24%	24%	24%	24%	21%	21%	22%	23%	24%
Preferred Dividends																									
Net Income Avail. to Common	3.5	3.1	4.0	4.0	3.5	3.3	1.8	3.3	2.6	3.3	3.9	4.2	4.0	4.3	4.5	4.4	4.0	4.7	4.9	5.0	14.6	12.0	13.8	17.2	18.5
Reported EPS	\$ 0.46	\$ 0.41	\$ 0.52	\$ 0.53	\$ 0.45	\$ 0.43	\$ 0.23	\$ 0.43	\$ 0.34	\$ 0.42	\$ 0.50	\$ 0.55	\$ 0.51	\$ 0.55	\$ 0.58	\$ 0.57	\$ 0.52	\$ 0.61	\$ 0.64	\$ 0.65	\$ 1.92	\$ 1.55	\$ 1.81	\$ 2.21	\$ 2.41
Core EPS	\$ 0.46	\$ 0.42	\$ 0.52	\$ 0.53	\$ 0.45	\$ 0.41	\$ 0.35	\$ 0.43	\$ 0.34	\$ 0.41	\$ 0.50	\$ 0.57	\$ 0.51	\$ 0.55	\$ 0.58	\$ 0.57	\$ 0.52	\$ 0.61	\$ 0.64	\$ 0.65	\$ 1.92	\$ 1.65	\$ 1.82	\$ 2.21	\$ 2.41
Average Diluted Shares	7.6	7.6	7.6	7.6	7.6	7.7	7.7	7.7	7.6	7.7	7.7	7.7	7.8	7.8	7.8	7.8	7.7	7.7	7.7	7.7	7.6	7.7	7.7	7.8	7.7
Period-end Shares	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.6	7.6	7.6	7.7	7.7
Book Value Per Share	\$ 16.59	\$ 15.54	\$ 15.07	\$ 15.62	\$ 16.29	\$ 16.35	\$ 16.26	\$ 17.23	\$ 17.55	\$ 17.84	\$ 18.76	\$ 18.90	\$ 19.52	\$ 19.93	\$ 20.35	\$ 20.77	\$ 21.13	\$ 21.58	\$ 22.06	\$ 22.54	\$ 15.62	\$ 17.23	\$ 18.90	\$ 20.77	\$ 22.54
Tangible Book Value Per Share	\$ 14.53	\$ 13.50	\$ 13.03	\$ 13.59	\$ 14.26	\$ 14.33	\$ 14.25	\$ 15.23	\$ 15.55	\$ 15.85	\$ 16.78	\$ 16.93	\$ 17.56	\$ 18.10	\$ 18.66	\$ 19.20	\$ 19.69	\$ 20.27	\$ 20.88	\$ 21.50	\$ 13.59	\$ 15.23	\$ 16.93	\$ 19.20	\$ 21.50
Dividend Per Share	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.53	\$ 0.56	\$ 0.59	\$ 0.62	\$ 0.64
Performance Ratios																									
ROA	0.86%	0.77%	0.95%	0.96%	0.82%	0.73%	0.61%	0.73%	0.56%	0.69%	0.81%	0.90%	0.81%	0.84%	0.87%	0.85%	0.76%	0.88%	0.92%	0.92%	0.89%	0.73%	0.73%	0.84%	0.87%
ROCE	10.3%	10.8%	13.2%	13.9%	11.7%	10.7%	5.6%	10.5%	7.9%	9.8%	11.0%	11.7%	11.0%	11.4%	11.5%	11.1%	10.0%	11.4%	11.6%	11.5%	12.0%	9.8%	10.1%	11.2%	11.2%
ROTCE	11.6%	12.5%	15.1%	16.0%	13.4%	12.3%	6.3%	11.9%	8.9%	11.1%	12.4%	13.1%	12.3%	12.6%	12.6%	12.1%	10.8%	12.2%	12.3%	12.1%	13.7%	11.1%	11.3%	12.4%	11.9%
Pretax Preprovision ROAA	1.06%	0.98%	1.24%	1.27%	1.08%	0.99%	0.91%	1.02%	0.75%	0.95%	1.05%	1.21%	1.14%	1.23%	1.27%	1.23%	1.10%	1.25%	1.31%	1.28%	1.14%	1.00%	0.99%	1.22%	1.23%
Net Interest Margin	2.91%	2.93%	3.29%	3.42%	3.19%	3.02%	2.96%	2.89%	2.79%	2.93%	2.96%	3.00%	3.13%	3.18%	3.21%	3.20%	3.20%	3.20%	3.22%	3.24%	3.14%	3.01%	2.92%	3.18%	3.22%
Efficiency Ratio	70%	72%	67%	67%	69%	72%	74%	70%	77%	73%	70%	67%	69%	67%	67%	68%	70%	67%	66%	67%	69%	71%	72%	68%	68%
Fee Income/Operating Revenue	24%	21%	17%	16%	17%	19%	20%	19%	21%	22%	21%	22%	22%	20%	20%	20%	20%	21%	21%	20%	19%	19%	21%	21%	20%
Dividend Payout Ratio	28%	32%	25%	26%	31%	32%	61%	33%	41%	35%	30%	27%	29%	27%	28%	28%	31%	26%	25%	25%	28%	36%	33%	28%	27%
Average Balance Sheet																									
Loans	876	897	938	969	987	1,017	1,066	1,121	1,149	1,178	1,200	1,212	1,239	1,260	1,277	1,298	1,319	1,339	1,361	1,385	920	1,048	1,185	1,268	1,351
Securities	572	560	581	569	565	563	533	504	499	491	488	486	492	497	499	499	500	503	504	505	571	541	491	497	503
Earning Assets	1,515	1,530	1,557	1,563	1,582	1,622	1,628	1,695	1,746	1,750	1,806	1,846	1,872	1,930	1,943	1,962	1,983	1,998	2,022	2,042	1,541	1,632	1,787	1,927	2,011
Assets	1,622	1,644	1,668	1,677	1,696	1,737	1,745	1,810	1,858	1,862	1,916	1,955	1,981	2,046	2,063	2,082	2,103	2,123	2,144	2,167	1,653	1,747	1,898	2,043	2,134
Deposits	1,375	1,428	1,450	1,417	1,382	1,409	1,433	1,499	1,521	1,570	1,621	1,662	1,669	1,741	1,773	1,806	1,837	1,868	1,905	1,942	1,417	1,431	1,594	1,747	1,888
Borrowings	98	87	87	131	180	189	171	169	186	139	134	129	146	133	148	151	156	158	161	163	101	177	147	145	159
Common Equity	137	116	119	115	120	124	125	125	132	134	139	144	147	152	155	158	161	164	168	171	122	124	137	153	166
Balance Sheet Ratios																									
TCE Ratio	6.71%	6.12%	6.03%	6.21%	6.29%	6.31%	6.09%	6.39%	6.32%	6.47%	6.65%	6.66%	6.66%	6.82%	6.96%	7.09%	7.19%	7.34%	7.47%	7.61%	6.21%	6.39%	6.66%	7.09%	7.61%
Avg Loans/Avg Earning Assets	58%	59%	60%	62%	62%	63%	65%	66%	66%	67%	66%	66%	66%	65%	66%	66%	67%	67%	67%	68%	60%	64%	66%	66%	67%
Avg Loans/Avg Deposits	64%	63%	65%	68%	71%	72%	74%	75%	76%	75%	74%	73%	74%	72%	72%	72%	72%	72%	71%	71%	65%	73%	74%	73%	72%
Avg Earning Assets/Avg Assets	93%	93%	93%	93%	93%	93%	93%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	93%	93%	94%	94%	94%
Credit Quality Ratios																									
Reserve/Loans	1.26%	1.22%	1.19%	1.16%	1.15%	1.12%	1.08%	1.08%	1.08%	1.09%	1.08%	1.08%	1.09%	1.11%	1.13%	1.14%	1.14%	1.14%	1.14%	1.13%	1.16%	1.08%	1.08%	1.14%	1.13%
Reserve/NPLs	645%	251%	226%	227%	271%	6925%	8151%	3821%	5849%	5032%	3919%	4919%	6157%	-	-	-	-	-	-	-	227%	3821%	4919%	-	-
NPLs/Loans+OREO	0.33%	0.60%	0.63%	0.60%	0.52%	0.11%	0.07%	0.08%	0.07%	0.07%	0.07%	0.07%	0.05%	-	-	-	-	-	-	-	0.60%	0.08%	0.07%	-	-
Net Charge-Off Ratio	0.00%	-0.10%	-0.03%	0.00%	-0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.02%	-0.01%	0.00%	0.06%	0.07%	0.08%	0.10%	0.09%	0.09%	0.08%	-0.03%	0.00%	0.01%	0.05%	0.09%
Provision/Average Loans	-0.06%	-0.03%	0.01%	0.01%	0.03%	0.06%	0.09%	0.16%	0.07%	0.16%	0.02%	0.06%	0.15%	0.21%	0.22%	0.19%	0.17%	0.16%	0.17%	0.12%	-0.02%	0.09%	0.08%	0.19%	0.15%
Provision/NCOs	1563%	31%	-23%	625%	-467%	1540%	#DIV/0!	-44700%	973%	9560%	101%	-573%	-4200%	0%	0%	0%	0%	0%	0%	0%	49%	-15433%	1435%	368%	172%

Sources: Company Filings, Hovde Group.

Model updated as of: 4/23/25

IMPORTANT DISCLOSURES:

Regulation Analyst Certification

I, David Bishop, hereby certify the views expressed in this research report accurately reflect my personal views about the subject security(ies) or issuer(s). I further certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by me in this report.

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Price Target Risks & Related Risk Factors:

Investment risks associated with the achievement of the price target include, but are not limited to, a company's failure to achieve Hovde Group, LLC's earnings and revenue estimates; unforeseen macroeconomic and/or industry events that adversely affect demand for a company's products or services; product obsolescence; changes in investor sentiment regarding the specific company or industry; intense and rapidly changing competitive pressures; the continuing development of industry standards; the company's ability to recruit and retain competent personnel; and adverse market conditions.

Company Specific Risks:

Risks to the price target, rating, and EPS estimates include: (a) the announcing of a large acquisition that is dilutive to TBV/sh and/or implies considerable integration risk, (b) the announcing of a large, dilutive capital raise, (c) the emergence of unanticipated credit deterioration, (d) NIM compression stemming from heightened deposit pricing competition amid rising ST rates and/or a flattening/inverted yield curve, (e) an economic downturn specific to the company's South Carolina footprint (likely slowing loan growth and pressuring credit quality), and (f) worsening economic conditions and credit losses beyond what we are currently expecting.

Valuation Methodology:

Methodology for ratings and target prices includes both qualitative and quantitative factors including an assessment of industry size, structure, trends and overall sector attractiveness; management; competition; financial condition; and expected total return, among other factors. These factors are subject to change depending on overall economic conditions or industry or company-specific occurrences. Hovde Group, LLC analysts base valuations on a combination of forward looking earnings multiples and price-to-tangible book multiples. Hovde Group, LLC, believes this accurately reflects the strong absolute value of earnings, the strong earnings growth rate, the inherent profitability, and adjusted balance sheet factors. Additional company-specific valuation methodology is available through Hovde Group, LLC.

Company Specific Valuation:

Our price target of \$29.00 is based on 12x our 2026 EPS estimate.

Definition of Investment Ratings:

Outperform (OP): Anticipated to outperform relative to the sector indices over the next 12 months.

Market Perform (MP): Anticipated to perform in line relative to the sector indices over the next 12 months.

Underperform (UP): Anticipated to underperform relative to the sector indices over the next 12 months.

Ratings Distribution:

Rating Category	Count	Percent	IB Serv./Past 12Mos.	
			Count	Percent
Outperform	69	52.67%	6	8.70%
Market Perform	62	47.33%	7	11.29%
Underperform	0	0.00%	0	0%

For purposes only of FINRA ratings distribution rules, our Outperform rating falls into a buy rating category; our Market Perform rating falls into a hold rating category; and our Underperform rating falls into a sell rating category.

First Community Corporation Rating History as of 04/22/2025

powered by: BlueMatrix



ADDITIONAL INFORMATION AVAILABLE UPON REQUEST: Contact the Hovde Research Department at 1-855-559-6831, or write to 1629 Colonial Parkway Inverness, IL 60067.

For current company specific disclosures please see the most recently published company report, or contact the Hovde Group Research Department at the address or telephone number listed above. You may also access such disclosures, including price charts or other relevant disclosures, by visiting the following website: <https://hovdegroup.bluematrix.com/sellside/Disclosures.action>.

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