HOVDE GROUP

July 23, 2026

First Community Corp.

Outperform

FCCO (NASDAQ)

Price $32.24

Price Target $36.00

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Financial Summary

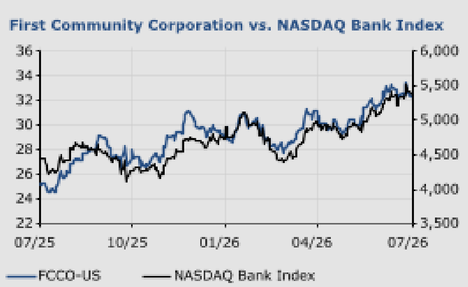
As of June 30, 2026

Assets ($M)	$2,372
Tangible Book Value	$20.84
Tang. Common Eq. / Tang. Assets	8.4%
ROA	1.34%
ROE	13.6%
Net Interest Margin	3.51%

Market Data

Market Cap ($M)	$303
Price / Tang. Book	1.55x
52-Week Range	$24.12 - $34.01
3-Mo. Avg. Daily Volume	88,542
Dividends	$0.64
Dividend Yield	1.99%
Shares Outstanding (M)	9.4

Price Performance



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.

Reiterating Outperform Rating on Higher Estimates/PT as FCCO Remains Well-Positioned for Growth

EPS ESTIMATES

	Mar	Jun	Sep	Dec	Year	Growth	Est. Change	P/E
2025A	$0.51	$0.68	$0.72	$0.69	**$2.60**	42.8%	--	12.4x
2026E	$0.72A	$0.84A	$0.81	$0.79	**$3.16**	21.3%	$0.29	10.2x
2027E	$0.82	$0.81	$0.81	$0.81	**$3.25**	2.8%	$0.21	9.9x

Conclusion

Following reported 2Q26 Operating EPS of $0.84, excluding merger expenses, which were $0.15 above our estimate and the Street, we are Reiterating our Outperform rating as the bank remains well-positioned for further Core NIM expansion and growth exiting the quarter. The completion of the Signature Bank of Georgia acquisition in early January 2026 provides another market for cross-selling Fee income products and opens another region for both Loan and Deposit growth. We are adjusting our 2026/27 EPS estimates to $3.16 (+$0.29/share) and $3.25 (+$0.21), respectively. **We reiterate our Outperform rating on the shares and raise our Price Target to $36 (+$2) - equating to ~11x our 2027 EPS estimate.**

- **Loan Growth Remains Healthy.** Loan growth remains healthy (and sustainable in our view) at 7.5% LQA pace and were $6M above our expectations. Commercial loan production totaled $60.3M compared to $91M last quarter with an additional $24.9M in advances from unfunded commercial construction loans. This was partially offset by Loan payoffs that were 18% higher than last quarter but management notes are a natural part of their relationship-based CRE-lending model. We maintain our forecast of 7% loan growth for 2026 and 2027 on a core basis, aligning with prior modeling, as management targets mid-to-upper single-digit growth. Management notes pricing competition remains within the market but is still able to price Loans in the mid-6% range and notes most of the payoffs reflect underlying sales of Assets which gives management comfort level regarding collateral values. The company remains optimistic that the pace of payoffs will slow into the second half but still sees the ability to grow Loans at pricing that meets their standards.

- **Expanding NIM a Stand-Out for the Quarter Despite Some Purchase Accounting Headwinds.** Spread income matched our forecast as the NIM of 3.51% was 6 bps better than our expectations on 14bps of expansion LQ. We would note that the margin absorbed 3bps of headwinds for purchase accounting amortization (not accretion) due to some of the characteristics of the legacy Signature Commercial Loan portfolio as the final mark flipped from a discount to a slight premium at close of the deal last quarter. Management expects this headwind to total ~$175K over the rest of 2026 (depending on prepay pace - equated to $178K this quarter) and sees the core NIM expanding a few basis points per quarter off the core NIM of 3.53% this quarter. New loans continue to reprice into the mid-6% range from the low 6% level, and we note that the Average Cost of deposits witnessed 4bps of improvement to 1.76% during the quarter. The company will be patient in addressing the legacy Deposit cost structure at Signature Bank and notes pricing competition likely limits the overall downward drift in funding costs. Exiting the quarter, we have adjusted our 2026 NIM outlook higher by 5bps to 3.50% and raised our 2027 outlook by 6bps to 3.53%.

- **Fee Income Strength Reflects Resilience and Diversification.** AUM levels rose nicely to $1.378B and up nicely from $1.13B at March 31, 2026, though fees generated from the segment were up only 0.7% LQ and close to 31% YOY. With Fees associated with AUMs charged on a quarter lag basis, we forecast a moderate rebound in these Fees next quarter. FCCO management remains focused on growing this line with plans to expand the team into the Atlanta market (along with the Mortgage Banking segment). Fee income grew 16.0% sequentially reflecting the contribution from Signature, and we note that the Revenue contribution from Fees/Gain in Sale in the Government Guaranteed lending segment were $704K and reflected loan sales of $16.1M. On April 10, 2026, FCCO received Preferred Lender status from the SBA and with the shutdown resolved, the company is strongly positioned to sustain production within the segment (we believe could approximate $60M + for calendar 2026).

- **Executive Management Transition Announced - Should be Seamless**. In conjunction with the Earnings Release, the company announced certain planned changes to the ranks of Executive Management that will occur over the course of the year. Specifically, and per the release, J. Ted Nissen will retire from his role as CEO and President of First Community Bank and as a director of the bank and its holding company, First Community Corporation, effective December 31, 2026. Mr. Nissen is a founding member of the bank's Executive Leadership Team. With Mr. Nissen's retirement, the CEO and President role will be split and effective January 1, 2027, Vaughan R. Dozier will become Chief Executive Officer of First Community Bank and Joseph A. "Drew" Painter will become President of the bank (each will join the Board of Directors). We note that Messrs. Dozier and Painter have 18 and 23 year tenures with First Community, respectively, and should allow for what we believe to be a seamless transition within the Executive management ranks (which is one of the deeper benches in our view, within our coverage universe). Mike Crapps will continue in his role as CEO and President of First Community Corporation focusing on board and corporate governance, investor relations, strategy, balance sheet and capital management, and leadership development per the release.

Exhibit 1: FCCO 2Q26 Variance Table

Actuals vs. Hovde and Consensus

($M)				Actuals vs:					
FCCO	Estimates		Actual	Hovde			Consensus		
	Hovde	Cons.	2Q26	$ Diff.		P/S	$ Diff.		P/S
Net Interest Income	**19.5**	**19.6**	**19.6**	**0.0**	▲	**$0.00**	**(0.0)**	▼	**($0.00)**
NIM	3.45%	3.49%	3.51%	6 bps	▲		2 bps	▲	
Fee Income	5.3	5.2	5.6	0.3	▲	$0.02	0.3	▲	$0.03
Revenue	24.8	24.7	25.1	0.3	▲	$0.03	0.4	▲	$0.04
Expenses	15.8	15.8	14.8	1.0	▼	$0.08	1.0	▼	$0.08
Core PPNR	**9.0**	**-**	**10.4**	**1.3**	▲	**$0.11**	**-**		**-**
PPNR	**9.0**	**8.9**	**10.4**	**1.3**	▲	**$0.11**	**1.5**	▲	**$0.12**
Provision	0.5	0.5	0.1	0.4	▼	$0.03	0.3	▼	$0.03
Tax Rate	24%	23%	22%		▼			▼	
EPS	**$0.69**	**-**	**$0.80**		▲	**$0.11**			
Core EPS	**$0.69**	**$0.69**	**$0.84**		▲	**$0.15**		▲	**$0.15**
TBVPS	$20.52	$20.47	$20.84		▲	$0.32		▲	$0.37
Diluted Shares	9.4	9.4	9.5						
<u>Profitability</u>									
ROA	1.09%	1.10%	1.34%	25 bps	▲		24 bps	▲	
ROTCE	13.8%	-	16.0%	222 bps	▲				
Efficiency Ratio	64%	64%	59%	-482 bps	▼		-476 bps	▼	
<u>Balance Sheet</u>									
Avg Earning Assets	2,270	2,257	2,235	(35)	▼		(22)	▼	
Avg Loans	1,561	1,563	1,573	12	▲		10	▲	
EOP Loans	1,572	-	1,578	6	▲				
Loans/Deposits	75%	-	78%						
TCE Ratio	8.10%	-	8.37%	27 bps	▲				
<u>Credit</u>									
NCOs	0.2	-	0.0	(0.1)	▼		######	▼	
Net Charge-Off Ratio	0.04%	0.03%	0.01%	-3 bps	▼		-2 bps	▼	
LLP/Loans	0.13%	0.12%	0.04%						

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

Exhibit 2: FCCO Estimate Change Summary

Current Estimates vs. Prior

($M)	2026E					2027E				
FCCO	Estimates		Change			Estimates		Change		
	Prior	Current	$ Diff.	▲/▼	P/S	Prior	Current	$ Diff.	▲/▼	P/S
Net Interest Income	**78.5**	**78.7**	**0.2**	▲	**$0.02**	**83.6**	**83.8**	**0.2**	▲	**$0.01**
NIM	3.45%	3.50%	5 bps	▲		3.47%	3.53%	6 bps	▲	
Fee Income	20.6	21.6	1.0	▲	$0.09	22.5	23.2	0.7	▲	$0.06
Revenue	99.1	100.3	1.2	▲	$0.10	106.1	107.0	0.9	▲	$0.07
Expenses	63.1	61.7	1.4	▼	$0.12	66.1	65.1	1.0	▼	$0.08
Core PPNR	**36.0**	**38.7**	**2.7**	▲	**$0.23**	**40.0**	**41.9**	**1.9**	▲	**$0.16**
PPNR	**36.0**	**38.7**	**2.7**	▲	**$0.23**	**40.0**	**41.9**	**1.9**	▲	**$0.16**
Provision	1.7	1.2	0.5	▼	$0.04	2.5	2.1	0.4	▼	$0.03
Tax Rate	24%	20%		▼		24%	23%		▼	
EPS	**$2.74**	**$2.99**		▲	**$0.25**	**$3.04**	**$3.25**		▲	**$0.21**
Core EPS	**$2.86**	**$3.16**		▲	**$0.30**	**$3.04**	**$3.25**		▲	**$0.21**
TBVPS	$21.88	$22.34		▲	$0.45	$24.72	$25.34		▲	$0.62
Diluted Shares	9.4	9.5				9.4	9.5			
Profitability										
ROA	0.94%	1.26%	32 bps	▲		1.12%	1.23%	10 bps	▲	
ROTCE	11.0%	14.4%	339 bps	▲		12.9%	13.6%	66 bps	▲	
Efficiency Ratio	64%	61%	-223 bps	▼		62%	61%	-150 bps	▼	
Balance Sheet										
Avg Earning Assets	2,276	2,248	(28)	▼		2,412	2,375	(38)	▼	
EOP Loans	1,628	1,635	6	▲		1,739	1,746	7	▲	
Loans/Deposits	75%	78%				75%	77%			
TCE Ratio	8.44%	8.76%	32 bps	▲		9.12%	9.49%	37 bps	▲	
Credit										
Net Charge-Off Ratio	0.04%	0.02%	-2 bps	▼		0.07%	0.05%	-2 bps	▼	
LLP/Loans	0.40%	0.36%				0.15%	0.12%			
LLR/Loans	1.19%	1.17%				1.19%	1.17%			

Source: Company Filings

Exhibit 3: FCCO Comparable Group

					Valuation						Profitability (LTM; %)				Balance Sheet (MRQ; %)				Credit (MRQ; %)			CAGRs				Price Perf. (%)			
					Price/Earnings[1]																	EPS		TBVPS					
Ticker	Company Name	7/22 Price	Mkt Cap ($M)	Assets ($M)	LTM	'26E	'27E	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	'17-'22	'22-'27E	'17-'22	'22-'27E	1M	3M	YTD	1YR
COSO	CoastalSouth Bcshs	$26.54	$319	$2,421	-	11.4x	10.2x	1.20x	0.8%	2.7%	1.20	10.9	3.61	57.3	83.3	88.7	2.49	10.96	0.01	0.61	1.03	-	14%	-	43%	(1.2)	3.7	14.2	26.4
CARE	Carter Bkshs	$32.92	$732	$4,799	12.9x	5.1x	12.6x	1.45x	1.2%	5.4%	2.24	25.9	2.93	75.0	88.0	92.6	NA	10.48	-0.38	0.57	1.41	-332%	12%	0%	40%	4.4	35.1	67.4	81.9
CBAN	Colony Bkcp Inc	$20.56	$435	$3,721	10.8x	10.4x	8.7x	1.42x	2.3%	4.2%	0.90	12.0	3.28	65.1	79.2	85.0	1.91	8.39	0.29	0.47	0.89	6%	44%	-1%	26%	(0.7)	(1.2)	15.4	16.7
FVCB	FVCBankcorp Inc	$17.82	$321	$2,367	-	12.1x	11.2x	1.25x	1.6%	3.1%	1.16	NA	3.18	53.4	92.6	90.8	2.47	10.94	0.03	0.47	1.01	20%	9%	9%	21%	5.7	13.3	28.1	34.6
FBK	FB Finl Corp	$58.89	$2,943	$16,796	-	12.6x	11.5x	1.89x	1.4%	9.7%	1.21	12.6	3.95	53.2	89.7	91.1	2.28	9.49	0.07	0.70	1.49	7%	39%	9%	27%	9.4	10.3	5.5	21.3
FBNC	First Bancorp	$62.61	$2,591	$12,948	14.5x	13.6x	12.6x	2.18x	1.5%	12.7%	0.96	11.3	3.52	49.6	79.9	96.4	1.29	9.54	0.08	0.32	1.42	18%	10%	5%	39%	3.0	8.3	23.3	31.8
FCBC	First Comm Bkshs	$46.91	$887	$3,608	15.4x	15.6x	15.3x	2.36x	2.8%	16.9%	1.75	17.0	4.42	57.7	81.5	99.3	0.62	10.90	0.18	0.47	1.33	17%	4%	4%	6%	7.0	9.9	39.1	15.0
FRST	Primis Financial C	$15.75	$392	$4,257	29.6x	9.9x	8.3x	1.17x	2.5%	1.7%	1.18	15.3	3.19	83.0	99.2	87.2	2.42	8.02	0.30	1.92	1.28	34%	82%	5%	18%	1.7	13.6	13.2	32.7
HTB	HomeTrust Bcshs	$48.22	$800	$4,386	12.5x	13.3x	13.0x	1.46x	1.2%	6.8%	1.51	12.2	4.33	58.0	97.4	92.2	1.85	12.74	0.26	0.70	1.11	28%	29%	4%	27%	0.4	8.0	12.3	23.3
SFST	Southern First	$60.34	$571	$4,700	12.8x	12.0x	9.8x	1.26x	-	3.0%	0.89	10.4	2.78	58.4	102.4	88.6	NA	9.62	0.01	0.27	1.10	15%	31%	13%	24%	2.7	6.5	17.1	50.5
SMBK	SmartFinancial Inc	$48.50	$829	$6,115	13.7x	13.1x	11.7x	1.72x	0.7%	6.4%	0.99	13.0	3.41	60.4	87.0	89.8	2.26	8.01	0.08	0.23	0.96	36%	28%	7%	33%	8.2	17.9	31.1	34.5
Peer Median			**$732**	**$4,386**	**13.3x**	**12.1x**	**11.5x**	**1.45x**	**1.5%**	**5.4%**	**1.18**	**12.4**	**3.41**	**58.0**	**88.0**	**90.8**	**2.26**	**9.62**	**0.08**	**0.47**	**1.11**	**18%**	**28%**	**5%**	**27%**	**3.0**	**9.9**	**17.1**	**31.8**
FCCO	**First Cmnty Corp**	**$32.49**	**$305**	**$2,372**	**-**	**11.1x**	**10.3x**	**1.56x**	**2.0%**	**5.4%**	**1.05**	**13.8**	**3.37**	**63.0**	**NA**	**-**	**NA**	**8.37**	**0.01**	**0.02**	**1.16**	**18%**	**28%**	**3%**	**34%**	**1.9**	**5.9**	**9.6**	**28.2**

[1]Based on consensus EPS estimates
[2]Core 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/Acquisitions

SGBG

($M)	1Q24A	2Q24A	3Q24A	4Q24A	1Q25A	2Q25A	3Q25A	4Q25A	1Q26A	2Q26A	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2023A	2024A	2025A	2026E	2027E
Income Statement																					
Net Interest Income	12.1	12.7	13.4	13.9	14.4	15.4	16.0	16.4	18.5	19.6	20.2	20.5	21.3	20.6	20.9	21.0	49.2	52.2	62.3	78.7	83.8
Noninterest Income	3.2	3.5	3.6	3.8	4.0	4.1	4.3	4.3	4.8	5.6	5.8	5.5	5.7	5.8	5.8	5.8	11.4	14.1	16.6	21.6	23.2
Total Revenue	**15.3**	**16.3**	**17.0**	**17.7**	**18.4**	**19.5**	**20.3**	**20.7**	**23.2**	**25.1**	**26.0**	**26.0**	**27.0**	**26.4**	**26.7**	**26.8**	**60.6**	**66.3**	**78.9**	**100.3**	**107.0**
Noninterest Expense	11.8	11.8	12.0	11.8	12.8	12.8	13.1	13.4	15.5	14.8	15.7	15.8	16.5	15.9	16.2	16.4	43.1	47.5	52.1	61.7	65.1
Pre-tax, Pre-provision Income	**3.5**	**4.4**	**5.0**	**5.9**	**5.7**	**6.6**	**7.2**	**7.4**	**7.8**	**10.4**	**10.3**	**10.2**	**10.5**	**10.5**	**10.5**	**10.5**	**17.4**	**18.9**	**26.9**	**38.7**	**41.9**
Loan Loss Provision	0.1	0.5	(0.0)	0.2	0.4	(0.2)	0.2	0.4	0.2	0.1	0.4	0.5	0.5	0.5	0.6	0.6	0.9	0.9	0.7	1.2	2.1
Taxable Equivalent Adjustment	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-	-	0.3	0.2	0.3	0.2	-
Pre-tax Earnings	3.4	4.1	5.0	5.4	5.2	6.7	6.6	6.5	6.0	9.8	10.0	9.7	10.0	10.0	9.9	9.9	15.5	17.8	25.2	35.5	39.8
Taxes	0.8	0.8	1.2	1.2	1.2	1.6	1.5	1.7	0.5	2.2	2.2	2.2	2.3	2.2	2.2	2.2	3.5	4.0	5.9	7.2	9.0
Tax Rate (%)	22%	19%	23%	22%	23%	22%	21%	25%	7%	22%	23%	23%	23%	23%	23%	23%	21%	22%	23%	20%	23%
Preferred Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income Avail. to Common	**2.6**	**3.3**	**3.9**	**4.2**	**4.0**	**5.2**	**5.2**	**4.8**	**5.5**	**7.6**	**7.7**	**7.5**	**7.8**	**7.7**	**7.7**	**7.7**	**12.0**	**13.8**	**19.3**	**28.3**	**30.9**
Reported EPS	**$ 0.34**	**$ 0.42**	**$ 0.50**	**$ 0.55**	**$ 0.51**	**$ 0.67**	**$ 0.67**	**$ 0.62**	**$ 0.59**	**$ 0.80**	**$ 0.81**	**$ 0.79**	**$ 0.82**	**$ 0.81**	**$ 0.81**	**$ 0.81**	**$ 1.55**	**$ 1.81**	**$ 2.47**	**$ 2.99**	**$ 3.25**
Core EPS	**$ 0.34**	**$ 0.41**	**$ 0.50**	**$ 0.57**	**$ 0.51**	**$ 0.68**	**$ 0.72**	**$ 0.69**	**$ 0.72**	**$ 0.84**	**$ 0.81**	**$ 0.79**	**$ 0.82**	**$ 0.81**	**$ 0.81**	**$ 0.81**	**$ 1.65**	**$ 1.82**	**$ 2.60**	**$ 3.16**	**$ 3.25**
Average Diluted Shares	7.6	7.7	7.7	7.7	7.8	7.8	7.8	7.8	9.3	9.5	9.5	9.5	9.5	9.5	9.5	9.5	7.7	7.7	7.8	9.5	9.5
Period-end Shares	7.6	7.6	7.6	7.6	7.7	7.7	7.7	7.7	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	7.6	7.6	7.7	9.4	9.4
Book Value Per Share	$ 17.55	$ 17.84	$ 18.76	$ 18.90	$ 19.52	$ 20.23	$ 21.01	$ 21.78	$ 23.50	$ 24.25	$ 24.90	$ 25.54	$ 26.19	$ 26.84	$ 27.48	$ 28.12	$ 17.23	$ 18.90	$ 21.78	$ 25.54	$ 28.12
Tangible Book Value Per Share	$ 15.55	$ 15.85	$ 16.78	$ 16.93	$ 17.56	$ 18.28	$ 19.06	$ 19.84	$ 19.88	$ 20.84	$ 21.60	$ 22.34	$ 23.10	$ 23.86	$ 24.60	$ 25.34	$ 15.23	$ 16.93	$ 19.84	$ 22.34	$ 25.34
Dividend Per Share	$ 0.14	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.16	$ 0.16	$ 0.16	$ 0.16	$ 0.17	$ 0.17	$ 0.17	$ 0.17	$ 0.18	$ 0.18	$ 0.56	$ 0.59	$ 0.62	$ 0.66	$ 0.70
Performance Ratios																					
ROA	0.56%	0.69%	0.81%	0.90%	0.81%	1.04%	1.07%	1.00%	1.18%	1.34%	1.29%	1.25%	1.21%	1.25%	1.24%	1.21%	0.73%	0.73%	0.98%	1.26%	1.23%
ROCE	7.9%	9.8%	11.0%	11.7%	11.0%	13.7%	13.0%	11.6%	10.3%	13.6%	13.2%	12.6%	12.4%	12.4%	12.0%	11.6%	9.8%	10.1%	12.4%	12.5%	12.1%
ROTCE	8.9%	11.1%	12.4%	13.1%	12.3%	15.2%	14.4%	12.8%	11.7%	16.0%	15.3%	14.5%	14.0%	14.1%	13.4%	12.9%	11.1%	11.3%	13.7%	14.4%	13.6%
Pretax Preprovision ROAA	0.75%	0.95%	1.05%	1.21%	1.14%	1.30%	1.41%	1.42%	1.33%	1.75%	1.73%	1.69%	1.63%	1.70%	1.69%	1.66%	1.00%	0.99%	1.32%	1.62%	1.67%
Net Interest Margin	2.79%	2.93%	2.96%	3.00%	3.13%	3.21%	3.27%	3.32%	3.37%	3.51%	3.55%	3.57%	3.56%	3.54%	3.52%	3.50%	3.01%	2.92%	3.23%	3.50%	3.53%
Efficiency Ratio	77%	73%	70%	67%	69%	66%	64%	65%	66%	59%	60%	61%	61%	60%	61%	61%	71%	72%	66%	61%	61%
Fee Income/Operating Revenue	21%	22%	21%	22%	22%	21%	21%	21%	21%	22%	22%	21%	21%	22%	22%	22%	19%	21%	21%	22%	22%
Dividend Payout Ratio	41%	35%	30%	27%	29%	23%	24%	26%	27%	20%	21%	21%	21%	21%	22%	22%	36%	33%	25%	22%	22%
Average Balance Sheet																					
Loans	1,149	1,178	1,200	1,212	1,239	1,263	1,281	1,303	1,511	1,573	1,592	1,621	1,735	1,674	1,701	1,731	1,048	1,185	1,271	1,574	1,710
Securities	499	491	488	486	492	505	504	497	504	510	511	512	521	516	517	518	541	491	500	509	518
Earning Assets	1,746	1,750	1,806	1,846	1,872	1,924	1,944	1,966	2,221	2,235	2,255	2,281	2,428	2,331	2,356	2,384	1,632	1,787	1,927	2,248	2,375
Assets	1,858	1,862	1,916	1,955	1,981	2,033	2,052	2,072	2,352	2,367	2,387	2,414	2,569	2,466	2,493	2,522	1,747	1,898	2,035	2,380	2,513
Deposits	1,521	1,570	1,621	1,662	1,669	1,737	1,755	1,772	1,978	2,019	2,045	2,085	2,186	2,157	2,199	2,241	1,431	1,594	1,733	2,032	2,196
Borrowings	186	139	134	129	146	125	120	117	137	116	114	113	116	117	120	121	177	147	127	120	119
Common Equity	132	134	139	144	147	152	158	165	216	224	231	237	255	249	255	261	124	137	155	227	255
Balance Sheet Ratios																					
TCE Ratio	6.32%	6.47%	6.65%	6.66%	6.66%	6.92%	7.15%	7.47%	7.93%	8.37%	8.57%	8.76%	8.95%	9.15%	9.32%	9.49%	6.39%	6.66%	7.47%	8.76%	9.49%
Avg Loans/Avg Earning Assets	66%	67%	66%	66%	66%	66%	66%	66%	68%	70%	71%	71%	71%	72%	72%	73%	64%	66%	66%	70%	72%
Avg Loans/Avg Deposits	76%	75%	74%	73%	74%	73%	73%	74%	76%	78%	78%	78%	79%	78%	77%	77%	73%	74%	73%	77%	78%
Avg Earning Assets/Avg Assets	94%	94%	94%	94%	94%	95%	95%	95%	94%	94%	95%	95%	95%	95%	95%	95%	93%	94%	95%	94%	95%
Credit Quality Ratios																					
Reserve/Loans	1.08%	1.09%	1.08%	1.08%	1.09%	1.06%	1.05%	1.05%	1.19%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.08%	1.08%	1.05%	1.17%	1.17%
Reserve/NPLs	5849%	5032%	3919%	4919%	6157%	4830%	1962%	6768%	2681%	2575%	-	-	-	-	-	-	3821%	4919%	6768%	-	-
NPAs/Loans+OREO	0.07%	0.07%	0.07%	0.07%	0.05%	0.04%	0.07%	0.03%	0.06%	0.06%	-	-	-	-	-	-	0.08%	0.07%	0.00%	-	-
Net Charge-Off Ratio	0.01%	0.00%	0.02%	-0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	0.02%	0.04%	0.04%	0.05%	0.05%	0.05%	0.00%	0.01%	0.00%	0.02%	0.05%
Provision/Average Loans	0.07%	0.16%	0.02%	0.06%	0.15%	-0.09%	0.05%	0.11%	1.22%	0.04%	0.09%	0.12%	0.11%	0.12%	0.13%	0.13%	0.09%	0.08%	0.06%	0.36%	0.12%
Provision/NCOs	973%	9560%	101%	-573%	-4200%	-2680%	1238%	920%	91260%	819%	0%	0%	0%	0%	0%	0%	-15433%	1435%	1390%	2073%	261%

Sources: Company Filings, Hovde Group.

Model updated as of: 7/22/26

IMPORTANT DISCLOSURES:

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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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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 $36.00 is based on 11x our 2027 EPS estimate.

Definition of Investment Ratings:

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

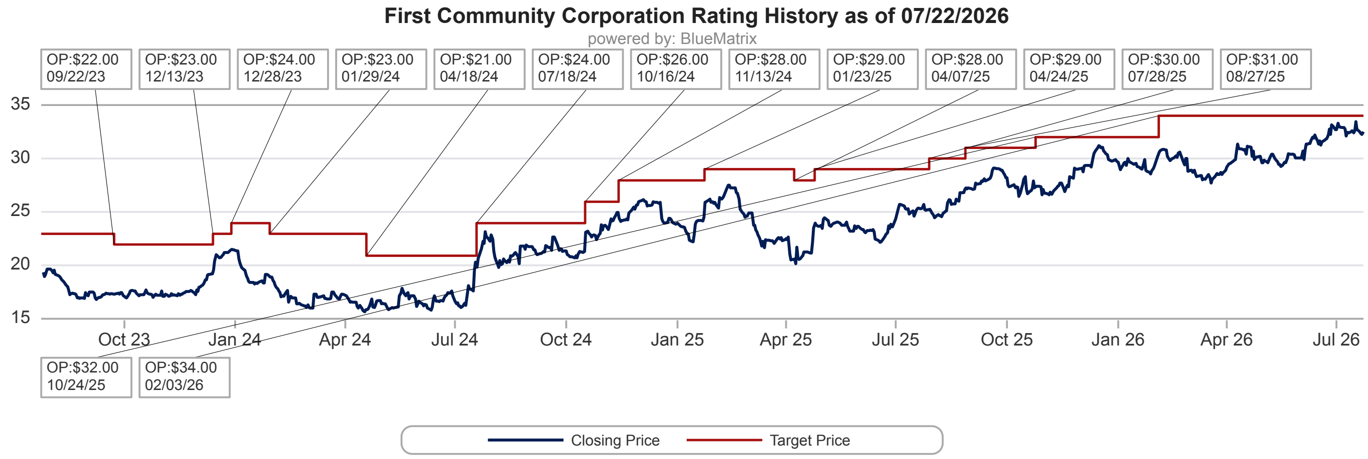
Market Perform (MP): Anticipated to perform in line relative to the sector indices over the next 12 months.

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

Ratings Distribution:

			IB Serv./Past 12Mos.	
Rating Category	Count	Percent	Count	Percent
Outperform	44	48.89%	3	6.82%
Market Perform	46	51.11%	6	13.04%
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.



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

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