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Banks & Thrifts

Price:	$27.45
Fair Value Estimate:	$33.00
52-Week Range:	$19.46 - $29.55
Market Cap (MM):	$211
Shr.O/S-Diluted (mm):	7.7
Average Daily Volume:	35,074
Dividend (Quarter):	$0.16
Yield:	2.3%
Tang Book Value:	$19.06
Price/Tangible Book:	1.44x

FYE: Dec	2024A	2025E	2026E
EPS - non-GAAP Adjusted:	$1.80A	$2.60E	$2.95E
Prior EPS - non-GAAP Adjusted:		$2.58	NC
P/E non-GAAP Ratio:	15.3x	10.6x	9.3x

Quarterly EPS - non-GAAP Adjusted:

Q1	$0.34A	$0.51A	$0.61E
Q2	$0.40A	$0.68A	$0.73E
Q3	$0.50A	$0.71A	$0.78E
Q4	$0.57A	$0.70E	$0.83E
EPS - non-GAAP Adjusted	$1.80A	$2.60E	$2.95E

First Community Corporation is a $1.7B+ in Assets holding company for First Community Bank, a local community bank based in the Midlands of South Carolina. First Community is a full-service commercial bank offering deposit/loan products and services, residential mortgage lending, and financial planning/investment advisory services for businesses and consumers. First Community serves customers in the Midlands, Aiken, Upstate, and Piedmont Regions of South Carolina, as well as Augusta, GA.

1 Year Price History for FCCO

October 27, 2025

First Community Corporation (FCCO) - BUY

FCCO: Reiterate BUY, Outlook Remains Favorable, Profitability Poised To Expand Significantly in 2026, Aided By SGBG

PORTFOLIO MANAGER BRIEF

- EPS Estimates. Increase 2025 EPS to $2.60 (+0.05) to reflect the 3Q EPS beat and maintain 2026 EPS at $2.95. Our 2026 outlook calls for continued favorable organic trends: Solid loan growth, expanding fees and NIM expansion to be bolstered by the acquisition of Signature Bank of Georgia (SGBG). We forecast the deal to close in early 1Q with conversion in late 1Q.
- Reiterate BUY. We remain bullish on the FCCO story, given its attractive valuation juxtaposed against its above-peer growth rate and improving profitability profile. ROAA is forecast to expand from 1% today to 1.30% by late 2026, aided by an improving revenue outlook and benefits from its SGBG deal. Franchise value remains high, given FCCOs attractive geographic footprint, superior deposit base, and best-in-class credit quality.

ANALYST NOTES

<u>Key benefits of the SGBG deal</u> include (1) new fee income line of business with the SBA lending vertical, (2) footprint into the Sandy Springs market, giving FCCO an opportunity to deploy excess liquidity, and 3) ability to scale their wealth /mortgage lines of business across SGBG's footprint/client base.

<u>M&A Supports Second Consecutive Year of 40%+ PPNR Growth.</u> PPNR is forecast to expand over 40% in 2026 as a 29% increase in revenue more than offsets a 23% increase in expenses. Revenues are expected to benefit from a 31% increase in Net Interest Inc. and 22% increase in Fee Inc. The increase in NII stems from strong NIM expansion (driven by SGBG) and healthy loan growth.

<u>Optimistic on Loan Growth.</u> Loans grew $19M or 6% LQA in 3Q as commercial production and advances of unfunded C&D loans remained healthy (~$60M), while payoffs declined 24%. Pipelines are consistent with the last quarter with upside possible, if several big projects close. Management remains upbeat on growth though noted an uptick in competition, which could temper near-term growth as FCCO expects to remain disciplined on pricing. Importantly, SGBG is additive to growth in 2026. We model ~1.5% loan growth in 4Q with 7% growth in 2026.

<u>NIM Expansion Expected To Continue.</u> We expect NIM to continue to expand in the coming quarters, aided by 1) upward repricing of fixed rate loans, 2) declining deposit costs, given a lower rate environment, 3) continued optimization of the balance sheet (redeploying excess cash & liquidity into Loans), and 4) our outlook for mid-to high-single-digit loan growth coming on the books at rates above current portfolio yields.

RESEARCH ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES ARE ON PAGES 6-7 OF THIS REPORT

Loan Repricing & Lower Deposit Costs Drive NIM Expansion. We estimate FCCO to have ~$66M of loans set to reprice in 4Q at a rate of ~5.70% and $180M or 14% of loans set to reprice in 2026 at a rate of ~5.55% with new origination yields in the 6.25% to 6.50% range. Further, FCCO has (1) about $75M in runoff from the bond portfolio (~3.85% roll-off yield) over the next five quarters, which can be re-positioned into higher yielding loans and (2) $80M in excess on balance-sheet liquidity, which can be re-positioned into higher yielding loans and or used to reduce higher cost deposits. The SGBG deal should give FCCO a good opportunity to deploy this excess liquidity, given healthy loan pipelines and over $20M of higher cost wholesale funding.

On the funding side, FCCO has been proactive in lowering non-maturity deposit costs post the last Fed cut and expects to be assertive on future cuts, while CDs continue to reprice lower. The company remains liability-sensitive and is expected to benefit from future rate cuts over a 12-month period though could see some initial drag, given higher levels of cash, some floating rate bonds and pay fixed receive floating swaps. Notably, SGBG will make FCCO less liability-sensitive. FCCO's cumulative beta thus far in the down rate cycle is ~31% on COF and ~22% COD.

Mortgage & Wealth Management Businesses Remain Strong. Our Fee Income outlook is largely unchanged. Our 2025 mortgage outlook calls for ~$120M of mortgage sales (~$90M YTD) at a GOS NIM of ~2.80%, resulting in ~$3.4M in mortgage revenues, which rises to $135M in sales in 2026 at a similar GOS NIM producing ~$3.7M in revenue. Wealth management revenues increased LQ with AUM rising $100M, reaching a record high of $1.1B. We model 17% growth in wealth fees in 2025 with ~8% growth in 2026.

Positive Operating Leverage Expected To Continue in 2026. Our 2026 core expense outlook is unchanged at ~$63M, which represents ~23% growth over 2025, reflecting ~4% legacy FCCO growth, along with the impact of the SGBG acquisition. Core Efficiency ratio is slated to improve ~300bps in 2026 to ~62.5%, driven by higher revenues (NIM/Fees) and increased scale from the SGBG deal

Credit narrative remains positive with management not seeing any meaningful weakness across their footprint. NPAs are less than $1M or 5bps of Loans & OREO, while Criticized and Classified ratios are negligible at less than 2.5% and 1%, respectively, of Tier 1 Capital plus Reserves. FCCO is well positioned with solid reserves and growing PPNR (+40% in '26, aided by the SGBG deal) to cover any new credit losses that could occur. We forecast an uptick in NCOs in '26 as credit normalization occurs with reserve coverage holding stable absent any changes in the macroeconomic environment.

Janney Research Rating: "BUY"

Fair Value: $33.00

Implied Gain/Loss versus Current Price: 20.2%

2026 Outlook			
2026 EPS	$2.95	11.0x	$32.33
Cash Dividends	$0.67	1.0x	$0.67
			$33.00
Tang. Book 12/26	**$21.36**	**1.55x**	**$33.00**

Source: Janney Research (FIG Group) & Forward Estimates

Deposit Premium Analysis

	Current	Dec-25	Dec-26
Market-Cap	194.3	200.2	206.2
TCE in $$	150.8	150.8	199.6
Total Deposits	1,775.6	1,775.6	2,034.6
CORE Deposits	1,465.7	1,465.7	1,679.4
Premium - Total	2.4%	2.8%	0.3%
Premium - CORE	**3.0%**	**3.4%**	**0.4%**

Weekly Stock Price Trends

Background and Risks

First Community Corporation stock trades on The NASDAQ Capital Market under the symbol "FCCO" and is the holding company for First Community Bank, a local community bank based in the Midlands of South Carolina. First Community Bank is a full-service commercial bank offering deposit and loan products and services, residential mortgage lending and financial planning/investment advisory services for businesses and consumers. First Community serves customers in the Midlands, Aiken, Upstate and Piedmont Regions of South Carolina as well as Augusta, Georgia. For more information, visit www.firstcommunitysc.com.

We see primary risks to include (1) integration of acquisitions; (2) negative impact from persistently low or rapidly changing interest rates and/or a flattening yield curve; and (3) potential for rising credit costs in light of further growth in unemployment.

FCCO Peer Comparison

Ticker	Company Name	State	Rating	Market Cap. ($M)	Total Assets ($000)	DDA %	Cost of Deposits	TCE Ratio	NPAs % of Loans+ORE	Core Deposit Premium	Price-to-T.Book	P/E 2025 EPS	P/E 2026 EPS	ROA Forecast in 2026	Loans-to-Deposits Ratio
					MRQ	MRQ	MRQ	MRQ	MRQ	Today	10/26/25	Consensus	Consensus	Consensus	
Peer Analysis:															
FCCO	**First Cmnty Corp**	SC	Buy	$211	$2,066,598	27	1.82	7.1	**0.0%**	**4.1%**	**144**	10.9x	9.4x	1.02	72%
FIZN	Frst Ctzns Bcshs	TN	Not Rated	$245	$2,544,037	23	NA	6.9	**na**	**2.8%**	**120**	na	na	NA	72%
JMSB	John Marshall Bncp	VA	Not Rated	$273	$2,267,953	23	2.55	11.2	**0.0%**	**1.8%**	**108**	13.2x	11.0x	1.05	101%
FVCB	FVCBankcorp Inc	VA	Neutral	$232	$2,319,052	19	2.75	10.5	**0.5%**	**(0.7%)**	**96**	11.2x	10.9x	0.96	94%
RVRF	River Finl Corp	AL	Not Rated	$268	$3,840,000	28	NA	6.3	**1.0%**	**2.8%**	**119**	na	na	NA	77%
CBAN	Colony Bkcp Inc	GA	Neutral	$292	$3,152,746	17	1.79	8.0	**0.4%**	**1.7%**	**118**	9.0x	7.3x	0.90	99%
MCBS	MetroCity Bkshs	GA	Not Rated	$676	$3,629,463	20	2.65	12.1	**1.1%**	**8.8%**	**154**	na	na	NA	98%
FFMH	Frst Farmers	TN	Not Rated	$175	$1,745,297	30	0.87	8.5	**0.4%**	**1.8%**	**120**	na	na	NA	76%
BFCC	BankFirst Cap Corp	MS	Not Rated	$249	$2,850,302	22	1.87	5.0	**1.0%**	**6.2%**	**178**	na	na	NA	77%
MNSB	MainStreet Bcshs	VA	Buy	$145	$2,114,781	18	3.17	8.8	**0.4%**	**(3.4%)**	**80**	10.4x	8.4x	0.90	99%
BRBS	Blue Ridge Bkshs I	VA	Not Rated	$384	$2,496,949	21	2.52	14.1	**1.1%**	**4.0%**	**113**	na	na	NA	98%
PEBK	Peoples Bncp of NC	NC	Not Rated	$167	$1,738,336	26	1.56	8.6	**0.4%**	**1.9%**	**115**	na	na	NA	76%
NKSH	Natl Bankshares	VA	Buy	$185	$1,802,407	20	1.82	9.3	**0.2%**	**1.5%**	**111**	11.7x	10.3x	0.97	65%
CIZN	Citizens Hdg Co	MS	Not Rated	$37	$1,640,424	23	1.48	2.3	**na**	**(0.1%)**	**98**	na	na	NA	65%
CPKF	Chesapeake Finl	VA	Not Rated	$108	$1,646,822	23	1.92	7.6	**0.5%**	**(1.5%)**	**88**	8.5x	8.1x	NA	65%
MBLU	Morris State Bcshs	GA	Not Rated	$237	$1,554,406	26	2.00	12.5	**0.4%**	**4.4%**	**123**	na	na	NA	88%
SFDL	Security Federal	SC	Not Rated	$97	$1,625,236	NA	2.30	6.6	**0.8%**	**(0.8%)**	**92**	na	na	NA	51%
MCBI	Mtn Commerce Bncp	TN	Not Rated	$144	$1,802,640	16	3.10	7.9	**0.7%**	**0.1%**	**100**	7.9x	na	NA	94%
COSO	CoastalSouth Bcshs	GA	Not Rated	$257	$2,255,389	16	2.74	10.9	**0.5%**	**1.0%**	**105**	9.7x	8.6x	1.27	80%
EFSI	Eagle Finl Svcs	VA	Not Rated	$198	$1,932,473	31	1.81	9.6	**1.0%**	**1.3%**	**108**	10.1x	9.3x	1.08	88%
Source: Janney Research (FIG Group), S&P Global MI					**Median**	**22**	**2.00**	**8.6**	**0.5%**	**1.7%**	**111**	**10.1x**	**8.9x**	**0.97**	**79.7%**

First Community Corporation (FCCO) **Updated 10/27/2025**

Earnings Model

				2024 Quarterly				2025 Quarterly				2026 Quarterly			
	2024A	2025E	2026E	1Q24A	2Q24A	3Q24A	4Q24A	1Q25A	2Q25A	3Q25A	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E
Income Data: ($ in Millions)															
Net Interest Income	$52.0	$61.9	$81.1	$12.1	$12.7	$13.4	$13.9	$14.4	$15.3	$16.0	$16.1	$19.0	$20.2	$20.8	$21.1
Loan Loss Provision	$0.8	$0.801	$2.95	$0.1	$0.5	($0.0)	$0.2	$0.4	($0.2)	$0.2	$0.400	$1.450	$0.500	$0.500	$0.500
Non-Interest Income	$14.1	$16.47	$20.0	$3.2	$3.5	$3.6	$3.8	$4.0	$4.1	$4.3	$4.1	$4.6	$5.0	$5.2	$5.1
Gain/Loss on Loan Sales	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Gain/Loss on Securities	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
One-Time Items	($0.1)	($0.5)	$0.0	$0.0	$0.1	$0.0	($0.2)	$0.0	($0.1)	($0.4)	$0.0	$0.0	$0.0	$0.0	$0.0
Non-Interest Expense	$47.47	$51.50	$63.3	$11.8	$11.8	$12.0	$11.8	$12.8	$12.8	$13.1	$12.8	$15.9	$15.9	$15.9	$15.6
Pre-Tax Income	$17.8	$25.5	$34.9	$3.3	$4.0	$5.0	$5.4	$5.2	$6.7	$6.6	$7.1	$6.3	$8.9	$9.6	$10.1
Taxes	$3.8	$5.7	$8.0	$0.7	$0.8	$1.1	$1.2	$1.2	$1.5	$1.4	$1.6	$1.4	$2.0	$2.2	$2.3
Extraordinary Items	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income	$14.0	$19.8	$26.9	$2.6	$3.3	$3.9	$4.2	$4.0	$5.2	$5.2	$5.4	$4.8	$6.9	$7.4	$7.8
Preferred Dividend	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income Avail. To Comm	**$14.0**	**$19.8**	**$26.9**	**$2.6**	**$3.3**	**$3.9**	**$4.2**	**$4.0**	**$5.2**	**$5.2**	**$5.4**	**$4.8**	**$6.9**	**$7.4**	**$7.8**
Avg. Shares O/S	$7.7	$7.8	$9.4	$7.7	$7.7	$7.7	$7.7	$7.8	$7.8	$7.8	$7.8	$9.2	$9.44	$9.4	$9.4
Earnings Per Share (EPS)	**$1.81**	**$2.55**	**$2.87**	**$0.34**	**$0.42**	**$0.50**	**$0.55**	**$0.51**	**$0.67**	**$0.67**	**$0.70**	**$0.53**	**$0.73**	**$0.78**	**$0.83**
Per Share Data:															
Reported Book Value	$18.90	$21.56	$23.82	$17.50	$17.84	$18.757	$18.902	$19.522	$20.232	$21.011	$21.56	$21.97	$22.54	$23.16	$23.82
Tangible Book Value	**$16.93**	**$19.62**	**$21.36**	**$15.51**	**$15.85**	**$16.78**	**$16.93**	**$17.56**	**$18.28**	**$19.06**	**$19.62**	**$19.50**	**$20.06**	**$20.69**	**$21.36**
Dividends	$0.59	$0.63	$0.67	$0.14	$0.15	$0.15	$0.15	$0.15	$0.16	$0.16	$0.16	$0.17	$0.17	$0.17	$0.17
Pre-Tax, Pre-Provision EPS	**$2.43**	**$3.45**	**$4.04**	**$0.45**	**$0.57**	**$0.646**	**$0.758**	**$0.723**	**$0.842**	**$0.922**	**$0.96**	**$0.84**	**$0.99**	**$1.07**	**$1.13**
CORE GAAP EPS	**$1.80**	**$2.60**	**$2.95**	**$0.34**	**$0.40**	**$0.50**	**$0.57**	**$0.51**	**$0.68**	**$0.71**	**$0.70**	**$0.61**	**$0.73**	**$0.78**	**$0.83**
KEY Ratios:															
Net Interest Margin	2.91%	3.22%	3.62%	2.78%	2.92%	2.95%	2.99%	3.12%	3.19%	3.26%	3.29%	3.54%	3.62%	3.65%	3.66%
Return on Avg Assets	0.74%	0.98%	1.14%	0.56%	0.71%	0.80%	0.86%	0.82%	1.02%	1.01%	1.05%	0.86%	1.17%	1.24%	1.29%
Return on Avg Assets core	0.73%	0.99%	1.17%	0.55%	0.66%	0.80%	0.90%	0.82%	1.04%	1.07%	1.05%	0.99%	1.17%	1.24%	1.29%
Return on Avg Equity	10.18%	12.77%	13.00%	7.81%	9.82%	11.04%	11.71%	11.05%	13.68%	13.18%	13.19%	10.56%	13.21%	13.73%	14.10%
Ret. On Avg. Tang. Comm. Eq.	11.44%	14.14%	14.32%	8.82%	11.08%	12.39%	13.09%	12.31%	15.18%	14.56%	14.51%	11.76%	14.86%	15.40%	15.76%
ROATCE core	11.40%	14.42%	14.71%	8.82%	10.32%	12.39%	13.65%	$0.123	$0.154	$0.154	14.51%	13.64%	14.86%	15.40%	15.76%
Pre-Tax Pre-Provision ROA	**0.99%**	**1.32%**	**1.61%**	**0.74%**	**0.94%**	**1.04%**	**1.20%**	**1.13%**	**1.29%**	**1.40%**	**1.45%**	**1.35%**	**1.60%**	**1.70%**	**1.78%**
Efficiency Ratio	71.48%	65.55%	62.42%	76.89%	72.50%	70.23%	66.45%	69.02%	65.84%	64.24%	62.76%	67.24%	62.65%	61.02%	59.26%
Overhead Ratio	2.50%	2.53%	2.69%	2.54%	2.54%	2.50%	2.42%	2.57%	2.53%	2.55%	2.48%	2.79%	2.70%	2.68%	2.60%
TCE/TA	6.66%	7.32%	8.35%	6.32%	6.47%	6.65%	6.66%	6.66%	6.92%	7.15%	7.32%	7.86%	8.01%	8.17%	8.35%
Period-End Balances: ($ in Millions)															
Earning Assets	$1,836	$1,954	$2,286	$1,775	$1,764	$1,828	$1,836	$1,921	$1,919	$1,944	$1,954	$2,217	$2,240	$2,264	$2,286
Total Assets	$1,958	$2,077	$2,414	$1,887	$1,885	$1,944	$1,958	$2,039	$2,046	$2,067	$2,077	$2,341	$2,366	$2,390	$2,414
Gross Loans	$1,221	$1,298	$1,604	$1,157	$1,189	$1,197	$1,221	$1,252	$1,260	$1,279	$1,298	$1,523	$1,550	$1,577	$1,604
Total Deposits	$1,676	$1,776	$2,035	$1,578	$1,605	$1,644	$1,676	$1,726	$1,754	$1,771	$1,776	$1,989	$2,009	$2,024	$2,035
Intangibles	$15	$15	$23	$15	$15	$15	$15	$15	$15	$15	$15	$23	$23	$23	$23
Total Common Equity	$144	$166	$223	$133	$136	$143	$144	$150	$156	$162	$166	$205	$211	$216	$223

Source: Janney Research (FIG Group), S&P Global MI

IMPORTANT DISCLOSURES

Valuation and Risks

FCCO

Our valuation methodology takes into consideration the company's Price-to-Earnings and Price-to-Tangible Book Value ratios in comparison to a peer group. Our valuation is sensitive to changes in the macro environment, including but not limited to, interest rates, asset quality, and company-specific operations.

Risks include asset quality deterioration; changes in interest rates; sensitivity to economic conditions; acquisition and integration; regulatory reform; competitive pressures; loan concentration (CRE); estimates of fair value of certain assets/liabilities; the ability to attract/retain key personnel; adverse effects on IT systems; availability of sufficient sources of liquidity, funding, and capital; and CRE market conditions across the company's operating footprint.

Research Analyst Certification

I, Brian Martin, the Primarily Responsible Analyst for this research report, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers. No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views I expressed in this research report.

Janney Montgomery Scott LLC ("Janney") Equity Research Disclosure Legend

Janney Montgomery Scott LLC currently acts as a market maker in the securities of First Community Corporation.

Janney Montgomery Scott LLC expects to receive or intends to seek compensation for investment banking services from First Community Corporation in the next three months.

The research analyst is compensated based on, in part, Janney Montgomery Scott's profitability, which includes its investment banking revenues.

Definition of Ratings

BUY: Janney expects that the subject company will appreciate in value. Additionally, we expect that the subject company will outperform comparable companies within its sector.

NEUTRAL: Janney believes that the subject company is fairly valued and will perform in line with comparable companies within its sector. Investors may add to current positions on short-term weakness and sell on strength as the valuations or fundamentals become more or less attractive.

SELL: Janney expects that the subject company will likely decline in value and will underperform comparable companies within its sector.

EXTENDED REVIEW: Janney's rating and/or fair value estimate have been temporarily suspended due to applicable regulations and/or Janney management discretion. Previously published research reports, including ratings, fair values, and estimates, should no longer be relied upon when making investment decisions.

Price Charts

Janney Montgomery Scott Ratings Distribution as of 09-30-2025

Rating	Count	Percent	IB Serv./Past 12 Mos.* Count	IB Serv./Past 12 Mos.* Percent
BUY [B]	141	52.22	32	22.70
NEUTRAL [N]	104	38.52	11	10.58
SELL [S]	0	0.00	0	0.00
EXTENDED REVIEW [EXTRE]	25	9.26	5	20.00

*Percentages of each rating category where Janney has performed Investment Banking services over the past 12 months.

Other Disclosures

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