

FIRST COMMUNITY CORPORATION (FCCO-NASDAQ)

Banking

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Another Strong Quarter; Reiterate Strong Buy, Raise PT to \$36

RECOMMENDATION

| 4Q25 EPS Breakdown | | | | | |
|--------------------|--------|-----------|--------|--------|--------|
| Reported | Core | Consensus | RJ | High | Low |
| \$0.62 | \$0.69 | \$0.68 | \$0.69 | \$0.70 | \$0.65 |

We reiterate our **Strong Buy** rating and raise our price target to \$36, from \$33, to reflect higher industry valuations and continued strong results marked by solid loan growth and NIM expansion, a trend we expect to continue post the SGBG acquisition, which closed in early January. Given FCCO's strong profitability outlook (ROA 1.2%, ROTCE 14%), pristine credit quality, and attractive growth profile, the stock is attractively valued at 9.6x our 2026E core EPS, particularly given its desirable South Carolina franchise and continued expansion into Georgia.

- In-line results.** FCCO reported GAAP EPS of \$0.62. Excluding nonrecurring income and merger expenses, we peg core EPS at \$0.69, in-line with our estimate and a penny above consensus, as higher than expected fee income offset higher than expected expenses and taxes.
- Fixed-rate asset repricing supports NIM expansion.** NIM expanded 5 bps LQ to 3.32%, driven by lower funding costs (-10 bps), partially offset by lower earning asset yields (-5 bps). FCCO expects a NIM of 3.60-3.70% with SGBA in 2026, in addition to ~5 bps of standalone expansion per quarter. FCCO has ~\$180M of fixed-rate loans at a 5.55% WAC repricing or maturing in 2026, which would benefit NIM by ~7-10 bps if reinvested at current origination yields of 6.30-6.60%. We model a 2026 NIM of 3.68%.
- Loan growth was robust, though competition remains intense.** Loans increased 2.5% LQ and the loan pipeline remains strong. FCCO reiterated elevated competition across the board, with pricing and structures that do not match their standards. Despite this, FCCO remains constructive on its growth outlook as pipelines remain strong. We model organic loan growth of 9% in 2026.
- Investment advisory growth fueled strong fee income.** Core fee income increased 0.1%, driven by investment advisory fee growth (+15%) offsetting seasonally weaker mortgage fees (-25%) as higher rates and limited housing supply remain headwinds. FCCO highlighted a strong SBA referral pipeline from South Carolina lenders, which it hopes converts into approved SBA loans by the end of the quarter, barring a government shutdown. Wealth AUM reached a record \$1.17B at December 31, 2025, versus \$1.10B at September 30, 2025. We model fee income will represent 19% of revenue in 2026.
- Expenses and credit on page two.**
- We maintain our 2026 and 2027 estimates** of \$3.00 and \$3.30, respectively.

Valuation: At \$28.85, FCCO shares trade at 9.6x our 2026E EPS and 1.5x TBV, versus small cap peers at 9.8x and 1.4x, respectively. Our \$36 price target values FCCO shares at 12.0x our 2026E, a modest premium to peers given the desirable South Carolina/Georgia franchise.

JANUARY 28, 2026 | 5:41 PM EST
COMPANY COMMENT

Strong Buy 1

Target Price \$36.00 ↑ old: \$33.00

| Suitability | MA/ACC |
|-------------------------------|-------------------|
| MARKET DATA | |
| Current Price (Jan-28-26) | \$28.85 |
| Market Cap (mln) | \$222 |
| Current Net Debt (mln) | NM |
| Shares Outstanding (mln) | 7.7 |
| 30-Day Avg. Daily Value (mln) | \$1.8 |
| Dividend | \$0.64 |
| Dividend Yield | 2.2% |
| 52-Week Range | \$19.46 - \$31.50 |
| BVPS | \$21.78 |
| Tangible BVPS | \$19.84 |
| ROE | 11.6% |
| ROAE | 12.9% |
| ROTE | 14.2% |

KEY FINANCIAL METRICS

| | 1Q | 2Q | 3Q | 4Q |
|---------------------------|-------------|-------------|-------------|-------------|
| Non-GAAP EPS (\$, Dec FY) | | | | |
| 2024A | 0.34 | 0.41 | 0.50 | 0.57 |
| 2025A | 0.51 | 0.68 | 0.72 | 0.69 |
| 2026E | 0.65 | 0.75 | 0.79 | 0.82 |
| new | 0.65 | 0.75 | 0.80 | 0.81 |
| 2027E | 0.78 | 0.83 | 0.82 | 0.87 |
| new | 0.77 | 0.83 | 0.84 | 0.86 |

| | 2024A | 2025A | 2026E | 2027E |
|--------------------------------------|-------------|-------------|-------------|-------------|
| Non-GAAP EPS (\$, Dec FY) | 1.82 | 2.60 | 3.00 | 3.30 |
| P/E (Non-GAAP) | 15.8x | 11.1x | 9.6x | 8.7x |
| GAAP EPS (\$, Dec FY) | | | | |
| old | 1.81 | 2.54 | 2.19 | 3.30 |
| new | 1.81 | 2.47 | 2.39 | 3.30 |
| P/E (GAAP EPS) | 15.9x | 11.7x | 12.0x | 8.7x |
| Operating Revenue (mln) (\$, Dec FY) | | | | |
| old | 66 | 79 | 101 | 108 |
| new | 66 | 79 | 102 | 108 |

Source: FactSet OnDemand, Raymond James & Associates. Quarterly figures may not add to full year due to rounding.
Non-GAAP EPS is operating earnings and excludes one-time items.

- Expense guide consistent with our expectations.** Operating expenses increased 2.1% LQ to \$13.4M, driven by increased compensation and other expenses while the core efficiency ratio was flattish at 64.5%. FCCO expects 2026 operating expenses in the low-to-mid \$60Ms, inclusive of the SGBG acquisition. The SGBG systems conversion will occur in March 2026, and full cost saves will be in FCCO's run-rate with 2Q26 earnings. We model core expenses of \$63M, and a core efficiency ratio of 61.6%.
- Credit remains strong as NPAs decline.** NPAs decreased 4 bps LQ to 3 bps, NCOs were 1 bp, and the LLR ratio was flat at 1.05%. Loans NCOs were de minimis at \$4K, excluding \$36K of net overdraft charge-offs. FCCO noted that SGBG's unguaranteed SBA loan portfolio has historically experienced default rates below the national average, supporting a reserve ratio roughly in-line with the broader portfolio. We model NCOs of 4 bps in 2026 and YE26 LLR ratio of 99 bps.

Small-Cap Valuation and Profitability Metrics

| | Mkt Cap (\$M) | Assets (\$M) | Valuation Metrics | | | | | Profitability Metrics | | | | | | |
|-----------------------------------|---------------|--------------|-------------------|-------|-------|---------------------|------------|-----------------------|-------|-------|-------|------------|-------|-------|
| | | | Price/ TBV | P/E | | Core Dep. Prem. (%) | Div. Yield | ROA | | ROTCE | | EPS Growth | | |
| | | | | 2026E | 2027E | | | 2026E | 2027E | 2026E | 2027E | 2026E | 2027E | |
| Small-Cap Overall Medians | 153 | 554 | 4,587 | 1.4x | 9.8x | 8.9x | 4.5% | 2.6% | 1.23% | 1.27% | 13.0% | 12.8% | 10.0% | 8.9% |
| Small-Cap Regional Medians | | | | | | | | | | | | | | |
| Mid-Atlantic | 38 | 524 | 4,873 | 1.2x | 9.0x | 8.1x | 2.9% | 2.8% | 1.19% | 1.24% | 13.1% | 13.3% | 14.1% | 9.5% |
| Mid-West | 41 | 846 | 6,250 | 1.4x | 9.8x | 8.9x | 5.4% | 2.7% | 1.35% | 1.34% | 13.9% | 13.4% | 6.1% | 6.1% |
| Northeast | 8 | 566 | 4,816 | 1.4x | 9.3x | 8.5x | 3.6% | 2.7% | 1.23% | 1.26% | 12.9% | 12.9% | 19.1% | 7.9% |
| Southeast | 28 | 352 | 2,972 | 1.3x | 10.3x | 9.2x | 4.3% | 2.4% | 1.09% | 1.16% | 12.7% | 12.9% | 13.9% | 9.2% |
| Southwest | 15 | 554 | 5,341 | 1.3x | 10.4x | 9.7x | 4.7% | 1.6% | 1.22% | 1.27% | 13.0% | 12.4% | 7.6% | 8.9% |
| West | 23 | 510 | 4,033 | 1.3x | 10.1x | 9.0x | 4.6% | 3.1% | 1.16% | 1.26% | 11.5% | 11.8% | 12.7% | 10.0% |

Priced as of 01/28/2026

Small-caps considered banks between \$200M-\$2B in market cap

Core deposits exclude brokered deposits and CDs >\$250K

Source: S&P Global, FactSet, Visible Alpha, and Raymond James research

FCCO Peer Group Comparison

| Company Name | Ticker | Balance Sheet Metrics | | | Income Statement Metrics | | | | | Credit Metrics | | | Capital Metrics | | | | |
|------------------------------------|-------------|-----------------------|---------------|-----------------|--------------------------|--------------|-------------------|----------------|------------------------------|------------------|------------------|--------------|-----------------|---------------|----------------|-------------|-----------|
| | | Assets (\$M) | NIB/ Deposits | Loans/ Deposits | NIM | Loan Yields | Yield on Earnings | Cost of Assets | Non-Int. Income/ Liabilities | Efficiency Ratio | NCOs/ Avg. Loans | NPLs/ Loans | Reserves/ NPLs | TCE Ratio | Leverage Ratio | CET1 Ratio | |
| C&F Financial Corporation | CFPI | 2,768 | NA | 69% | 4.20% | 6.70% | 5.98% | 2.48% | 21.3% | 66.8% | NA | 0.13% | 2.40% | 18.39x | 8.6% | 10.0% | 11.0% |
| Colony Bankcorp, Inc. | CBAN | 3,153 | 17% | 79% | 3.17% | 6.20% | 5.14% | 2.40% | 32.9% | 65.7% | 0.36% | 0.44% | 0.88% | 1.99x | 8.0% | 9.9% | 12.4% |
| First National Corporation | FXNC | 2,031 | 28% | 79% | 3.84% | 5.90% | 5.26% | 2.06% | 19.7% | 67.9% | 0.26% | 0.40% | 1.01% | 2.53x | 8.2% | 9.2% | 12.2% |
| Eagle Financial Services, Inc. | EFSI | 1,889 | 27% | 92% | 3.61% | 5.76% | 5.45% | 2.71% | 22.7% | 71.2% | 0.06% | 0.97% | 1.04% | 1.06x | 10.0% | NA | 12.7% |
| CNB Corp. | CNBW | 1,910 | 29% | 51% | 3.36% | 6.04% | 4.52% | 1.74% | 13.3% | 49.4% | 0.16% | 0.05% | 1.09% | 23.94x | 9.9% | 9.5% | 19.0% |
| Southern First Bancshares, Inc. | SFST | 4,403 | 20% | 103% | 2.72% | 5.29% | 5.16% | 3.22% | 10.9% | 56.9% | 0.01% | 0.36% | 1.10% | 3.06x | 8.4% | 8.9% | 11.1% |
| F & M Bank Corp. | FMBM | 1,358 | 23% | 71% | 3.36% | 6.54% | 5.45% | 2.76% | 17.3% | 70.4% | 0.49% | 0.85% | 0.90% | 1.05x | 7.3% | 8.7% | NA |
| National Bancshares, Inc. | NKSH | 1,825 | 19% | 61% | 2.93% | 5.85% | 4.50% | 2.10% | 20.4% | 55.2% | 0.02% | 0.02% | 0.99% | 52.62x | 9.5% | NA | NA |
| South Atlantic Bancshares, Inc. | SABK | 1,917 | 21% | 94% | 3.35% | 6.11% | 5.52% | 2.83% | 10.6% | 59.9% | NA | 0.00% | 0.93% | NA | 6.6% | 9.2% | NA |
| CoastalSouth Bancshares, Inc. | COSO | 2,307 | 16% | 81% | 3.60% | 6.41% | 5.98% | 3.11% | 9.6% | 55.2% | 0.00% | 0.80% | 1.05% | 1.32x | 11.1% | 11.2% | NA |
| Peer Median | | 1,974 | 21% | 79% | 3.36% | 6.15% | 5.36% | 2.60% | 18.5% | 62.8% | 0.11% | 0.38% | 1.02% | 2.53x | 8.5% | 9.4% | 12.3% |
| First Community Corporation | FCCO | 2,058 | 27% | 75% | 3.32% | 5.84% | 5.05% | 2.43% | 20.7% | 66.7% | 0.01% | 0.02% | 1.05% | 67.02x | 7.5% | 8.6% | NA |

Data as of most recent quarter results

Peer comparison can be skewed during earnings reporting season due to timing of reports and SNL data uploads

Source: S&P Global and Raymond James research

| FCCO Actual | Estimates | | vs. R.J | vs. Consensus | |
|-----------------------|-----------|--------|---------|---------------|---------|
| | R.J | Street | | \$mm/bp | EPS |
| NII | 16.4 | 16.5 | 16.3 | -0.1 | (0.006) |
| Provision | 0.4 | 0.3 | 0.4 | 0.1 | (0.010) |
| Core Fee Revenue | 4.3 | 3.9 | 4.0 | 0.4 | 0.037 |
| Core Expenses | 13.4 | 13.1 | 13.1 | 0.3 | (0.025) |
| Core Net Income | 5.4 | 5.3 | 5.1 | 0.0 | 0.001 |
| Core EPS | 0.69 | 0.69 | 0.68 | 0.00 | - |
| Tax rate | 24.6% | 22.0% | 22.0% | 260 bp | (0.018) |
| Avg. Dil. Shares | 7.8 | 7.8 | 7.8 | 0.0 | (0.003) |
| NIM | 3.32% | 3.34% | 3.31% | -2 bp | (0.008) |
| Loans EOP | 1,311 | 1,306 | 1,301 | 5 | - |
| Deposits EOP | 1,750 | 1,802 | 1,776 | -53 | - |
| AEA | 1,966 | 1,963 | 1,959 | 3 | 0.003 |
| Core efficiency ratio | 64.5% | 64.3% | 64.3% | 24 bp | - |
| Core ROA | 1.03% | 1.02% | 1.02% | 1 bp | - |
| Core ROE | 12.9% | 13.0% | 12.4% | -6 bp | - |
| NCOs | 0.04 | 0.03 | - | 0.0 | - |

Source: FactSet, S&P Global, Raymond James research, company filings

Note: consensus estimates may not add due to rounding

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FCCO 4Q25 - Actual vs. Raymond James and Consensus

| | Actual | Raymond James | dif (+/-) | Consensus | dif (+/-) | Street High | Street Low | Consensus # of Estimates |
|----------------------------------|--------|---------------|-----------|-----------|-----------|-------------|------------|--------------------------|
| PER SHARE DATA | | | | | | | | |
| Core EPS | \$0.69 | \$0.69 | \$0.00 | \$0.68 | \$0.01 | \$0.70 | \$0.65 | 3 |
| Book value per share | 21.78 | 21.55 | 0.23 | 21.52 | 0.26 | 21.56 | 21.44 | 3 |
| Tangible book value | 19.84 | 19.61 | 0.23 | 19.62 | 0.22 | 19.62 | 19.61 | 3 |
| Dividends per share | 0.16 | 0.16 | 0.00 | 0.16 | 0.00 | 0.16 | 0.16 | 3 |
| Avg. fully diluted shares (mil.) | 7.8 | 7.8 | 0.0 | 7.8 | 0.0 | 7.8 | 7.8 | 3 |
| INCOME STATEMENT | | | | | | | | |
| Net interest income (FTE) | 16.4 | 16.5 | -0.1 | 16.3 | 0.1 | 16.5 | 16.1 | 3 |
| Loan loss provision | 0.4 | 0.3 | 0.1 | 0.4 | 0.0 | 0.5 | 0.3 | 3 |
| Core fee income | 4.3 | 3.9 | 0.4 | 4.0 | 0.3 | 4.1 | 3.9 | 3 |
| Operating Revenue (FTE) | 20.7 | 20.4 | 0.3 | 20.3 | 0.5 | 20.3 | 20.2 | 2 |
| Core expenses | 13.4 | 13.1 | 0.3 | 13.1 | 0.3 | 13.3 | 12.8 | 3 |
| Taxes | 1.6 | 1.5 | 0.1 | 1.5 | 0.1 | 1.6 | 1.3 | 2 |
| Core net income | 5.4 | 5.3 | 0.0 | 5.1 | 0.3 | 5.4 | 4.5 | 3 |
| BALANCE SHEET | | | | | | | | |
| Loans (EOP) | 1,311 | 1,306 | 5 | 1,301 | 10 | 1,306 | 1,298 | 3 |
| Average Loans | 1,303 | 1,293 | 10 | 1,291 | 11 | 1,293 | 1,290 | 2 |
| Deposits (EOP) | 1,750 | 1,802 | -53 | 1,776 | -26 | 1,776 | 1,776 | 1 |
| Average Deposits | 1,772 | 1,786 | -13 | 1,788 | -16 | 1,788 | 1,788 | 1 |
| Average Earning Assets | 1,966 | 1,963 | 3 | 1,959 | 7 | 1,963 | 1,955 | 2 |
| Total Assets | 2,058 | 2,088 | -30 | 2,077 | -19 | 2,077 | 2,077 | 1 |
| ASSET QUALITY | | | | | | | | |
| Non-performing Loans | 0.2 | 0.3 | 0.0 | - | - | - | - | - |
| Non-performing Assets | 0.4 | 0.9 | -0.5 | - | - | - | - | - |
| Net charge-offs | 0.0 | 0.0 | 0.0 | - | - | - | - | - |
| Net charge-offs / Avg. loans | 0.01% | 0.01% | 0.00% | 0.03% | -0.02% | 0.05% | 0.01% | 2 |
| FINANCIAL RATIOS | | | | | | | | |
| Net interest margin (NIM) | 3.32% | 3.34% | -2 bp | 3.31% | 1 bp | 3.34% | 3.29% | 3 |
| Core efficiency ratio | 64.5% | 64.3% | 24 bp | 64.3% | 26 bp | 66.0% | 62.8% | 3 |
| Core ROA | 1.03% | 1.02% | 1 bp | 1.0% | 1 bp | 1.05% | 0.98% | 3 |
| Core ROE | 12.9% | 13.0% | -5 bp | 12.4% | 52 bp | 13.2% | 11.0% | 3 |
| Core ROTE | 14.2% | 14.3% | -6 bp | 13.3% | 95 bp | 14.5% | 12.0% | 2 |

Source: S&P Global, Factset, Raymond James research, company reports

Note: Dollar amounts in millions, except per share data

FCCO 4Q25 - Summary Results

| | 4Q25 | RJ 4Q25E | dif (+/-) | 3Q25 | Q/Q | 4Q24 | Y/Y |
|----------------------------------|--------|----------|-----------|--------|---------|--------|---------|
| PER SHARE DATA | | | | | | | |
| Core EPS | \$0.69 | \$0.69 | \$0.00 | \$0.72 | -\$0.03 | \$0.57 | \$0.12 |
| Reported EPS (GAAP) | 0.62 | 0.69 | -0.07 | 0.67 | -0.05 | 0.55 | 0.07 |
| Book value per share | 21.78 | 21.55 | 0.23 | 21.01 | 0.77 | 18.90 | 2.88 |
| Tangible book value | 19.84 | 19.61 | 0.23 | 19.06 | 0.77 | 16.93 | 2.91 |
| Dividends per share | 0.16 | 0.16 | 0.00 | 0.16 | 0.00 | 0.15 | 0.01 |
| Avg. fully diluted shares (mil.) | 7.8 | 7.8 | 0.0 | 7.8 | 0.0 | 7.7 | 0.0 |
| INCOME STATEMENT | | | | | | | |
| Net interest income (FTE) | 16.4 | 16.5 | -0.1 | 16.0 | 0.4 | 13.9 | 2.5 |
| Loan loss provision | 0.4 | 0.3 | 0.1 | 0.2 | 0.2 | 0.2 | 0.1 |
| Core fee income | 4.3 | 3.9 | 0.4 | 4.3 | 0.0 | 3.8 | 0.4 |
| Operating Revenue (FTE) | 20.7 | 20.4 | 0.3 | 20.5 | 0.3 | 17.5 | 3.3 |
| Core expenses | 13.4 | 13.1 | 0.3 | 13.1 | 0.3 | 11.8 | 1.5 |
| Taxes | 1.6 | 1.5 | 0.1 | 1.4 | 0.2 | 1.2 | 0.4 |
| Core net income | 5.4 | 5.3 | 0.0 | 5.6 | -0.2 | 4.4 | 0.9 |
| BALANCE SHEET | | | | | | | |
| Assets | 2,058 | 2,088 | -30 | 2,067 | -9 | 1,958 | 100 |
| Loans (EOP) | 1,311 | 1,306 | 5 | 1,279 | 32 | 1,221 | 90 |
| Average Loans | 1,303 | 1,293 | 10 | 1,281 | 22 | 1,212 | 91 |
| Deposits (EOP) | 1,750 | 1,802 | -53 | 1,771 | -22 | 1,676 | 74 |
| Average Deposits | 1,772 | 1,786 | -13 | 1,755 | 18 | 1,662 | 111 |
| Average Earning Assets | 1,966 | 1,963 | 3 | 1,944 | 22 | 1,846 | 120 |
| Total equity | 168 | 166 | 2 | 162 | 6 | 144 | 23 |
| FINANCIAL RATIOS | | | | | | | |
| Net interest margin (NIM) | 3.32% | 3.34% | -2 bp | 3.28% | 4 bp | 3.00% | 32 bp |
| Core efficiency ratio | 64.5% | 64.3% | 24 bp | 64.4% | 7 bp | 66.7% | -216 bp |
| TCE Ratio | 7.5% | 7.3% | 20 bp | 7.1% | 32 bp | 6.7% | 81 bp |
| LLR / Total loans | 1.05% | 1.05% | 0 bp | 1.05% | 0 bp | 1.08% | -3 bp |
| Net charge-offs / Avg. loans | 0.01% | 0.01% | 0 bp | 0.00% | 1 bp | -0.01% | 2 bp |

Source: Raymond James research; company reports

Note: Dollar amounts in millions, except per share data

| First Community Corp 1/28/2026 (\$ in thousands, except as noted) | | Raymond James & Associates Steve Moss (202) 872-5931 steve.moss@raymondjames.com | | | | | | | |
|---|--|--|-------|-----------|-------|-----------|-------|-----------|-------|
| | | 2024 | % Chg | 2025 | % Chg | 2026E | % Chg | 2027E | % Chg |
| Income Statement Summary: | | | | | | | | | |
| Net Interest Income (FTE) | | 52,198 | 6% | 62,308 | 19% | 83,393 | 34% | 89,832 | 8% |
| Core Non-interest Income: | | | | | | | | | |
| Deposit service charges | | 952 | -1% | 922 | -3% | 960 | 4% | 960 | 0% |
| Mortgage banking | | 2,368 | 68% | 3,270 | 38% | 2,700 | -17% | 2,000 | -26% |
| Investment advisory fees and non-deposit commissions | | 6,181 | 37% | 7,565 | 22% | 7,350 | -3% | 7,600 | 3% |
| Other income | | 4,632 | -2% | 4,871 | 5% | 8,000 | 64% | 8,400 | 5% |
| Subtotal Core | | 14,133 | 22% | 16,628 | 18% | 19,010 | 14% | 18,960 | 0% |
| Market Sensitive Non-interest Income: | | | | | | | | | |
| Nonrecurring Income | | -129 | -89% | 317 | -346% | 0 | -100% | 0 | NM |
| Total Non-interest Income | | 14,004 | 34% | 16,945 | 21% | 19,010 | 12% | 18,960 | 0% |
| Operating Revenue (FTE) | | 66,044 | 11% | 78,967 | 20% | 101,569 | 29% | 107,894 | 6% |
| Non-interest Expense: | | | | | | | | | |
| Salaries and employee benefits | | 29,263 | 13% | 31,949 | 9% | 33,058 | 3% | 34,711 | 5% |
| Occupancy | | 3,094 | -2% | 3,142 | 2% | 3,400 | 8% | 3,600 | 6% |
| Equipment | | 1,451 | -7% | 1,552 | 7% | 1,700 | 10% | 1,800 | 6% |
| Marketing and PR | | 1,511 | 1% | 1,821 | 21% | 2,000 | 10% | 2,075 | 4% |
| FDIC assessment | | 1,177 | 30% | 1,117 | -5% | 1,300 | 16% | 1,375 | 6% |
| OREO | | 103 | -192% | 138 | 34% | 200 | 45% | 200 | 0% |
| Amortization of intangibles | | 158 | 0% | 158 | 0% | 1,345 | 751% | 1,255 | -7% |
| Other expenses | | 10,708 | 6% | 12,197 | 14% | 20,101 | 65% | 20,600 | 2% |
| Core Expenses | | 47,465 | 10% | 52,074 | 10% | 63,104 | 21% | 65,617 | 4% |
| Nonrecurring Expense | | 0 | NM | 1,264 | NM | 7,600 | 501% | 0 | -100% |
| Total Non-interest Expense | | 47,465 | 10% | 53,338 | 12% | 70,704 | 33% | 65,617 | -7% |
| Pre-tax Pre-Provision Earnings | | 18,737 | 14% | 25,915 | 38% | 31,699 | 22% | 43,176 | 36% |
| Subtract Loan Loss Provision | | 809 | -28% | 770 | -5% | 1,878 | 144% | 2,259 | 20% |
| Add Net Nonrecurring Gains(Charges) | | 129 | -89% | 947 | 634% | 7,600 | 703% | 0 | -100% |
| Reported Pretax FTE Income | | 17,770 | 18% | 24,859 | 40% | 28,987 | 17% | 40,018 | 38% |
| FTE Tax Rate (reported) | | 21% | | 23% | | 22% | | 22% | |
| Reported Net Income | | 13,955 | 18% | 19,205 | 38% | 22,657 | 18% | 31,214 | 38% |
| Normalized Net Income | | 14,057 | 10% | 20,209 | 44% | 28,430 | 41% | 31,214 | 10% |
| Per Share Data: | | | | | | | | | |
| Diluted EPS - Reported | | 1.81 | 17% | 2.47 | 36% | 2.39 | -3% | 3.30 | 38% |
| Diluted EPS - Core | | 1.82 | 9% | 2.60 | 42% | 3.00 | 16% | 3.30 | 10% |
| Dividends | | 0.58 | 4% | 0.62 | 7% | 0.66 | 6% | 0.70 | 6% |
| Payout ratio | | 32% | | 25% | | 28% | | 21% | |
| Book Value | | 18.90 | 10% | 21.78 | 15% | 24.09 | 11% | 26.72 | 11% |
| Tangible Book Value | | 16.93 | 11% | 19.84 | 17% | 21.94 | 11% | 24.71 | 13% |
| Avg. F.D. Shares Outstanding (000s) | | 7,709 | 1% | 7,782 | 1% | 9,463 | 22% | 9,453 | 0% |
| Profitability Measures: | | | | | | | | | |
| Return on Assets (Reported) | | 0.74% | | 0.94% | | 0.94% | | 1.23% | |
| Return on Assets (Normalized) | | 0.74% | | 0.99% | | 1.18% | | 1.23% | |
| Return on Common Equity (Norm.) | | 10.14% | | 12.33% | | 10.55% | | 13.13% | |
| Net Interest Margin | | 2.92% | | 3.23% | | 3.68% | | 3.76% | |
| Efficiency Ratio | | 72% | | 67% | | 69% | | 60% | |
| Fee Income % Revenues | | 21% | | 21% | | 19% | | 17% | |
| Balance Sheet | | | | | | | | | |
| EOP Loans | | 1,220,542 | 8% | 1,311,019 | 7% | 1,623,054 | 24% | 1,748,234 | 8% |
| Average Loans | | 1,184,909 | 13% | 1,271,473 | 7% | 1,557,101 | 22% | 1,681,837 | 8% |
| Average Earning Assets | | 1,786,758 | 9% | 1,926,654 | 8% | 2,267,101 | 18% | 2,391,837 | 6% |
| Average Total Assets | | 1,897,549 | 9% | 2,034,663 | 7% | 2,411,809 | 19% | 2,544,507 | 6% |
| Asset Quality Measures: | | | | | | | | | |
| Provision % Avg. Loans | | 0.07% | | 0.06% | | 0.12% | | 0.13% | |
| Net Charge-offs % Avg. Loans | | 0.01% | | 0.00% | | 0.04% | | 0.05% | |
| Loss Reserve % Loans | | 1.08% | | 1.05% | | 0.99% | | 1.00% | |
| Nonperforming Asset Ratio (%) | | 0.07% | | 0.03% | | 0.06% | | 0.05% | |
| Capital & Leverage Measures: | | | | | | | | | |
| Total Equity % Assets | | 7.4% | | 8.1% | | 9.2% | | 9.6% | |
| Tangible Common Equity % Assets | | 6.7% | | 7.5% | | 8.4% | | 9.0% | |
| Earnings Retention Ratio (%) | | 68% | | 75% | | 72% | | 79% | |
| Avg. Loans % Avg. Erng Assets | | 66% | | 66% | | 69% | | 70% | |

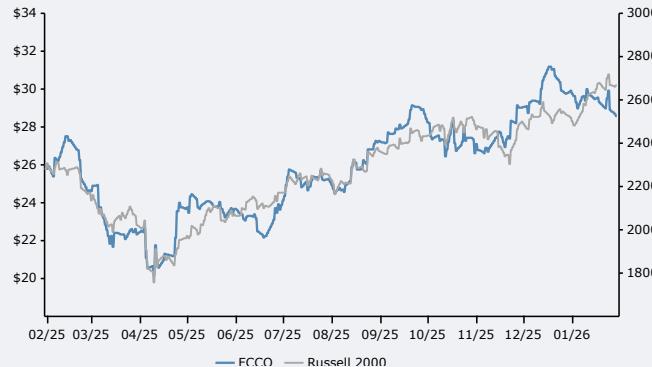
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| First Community Corp 1/28/2026 (\$ in thousands, except as noted) | | | | | | | | | | | Raymond James & Associates Steve Moss (202) 872-5931 steve.moss@raymondjames.com | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|-----------|--|--|
| | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26E | 2Q26E | 3Q26E | 4Q26E | 1Q27E | 2Q27E | 3Q27E | 4Q27E | | |
| Income Statement Summary: | | | | | | | | | | | | | | |
| Net Interest Income (FTE) | 14,441 | 15,377 | 16,048 | 16,442 | 19,831 | 20,481 | 21,294 | 21,787 | 21,627 | 22,190 | 22,814 | 23,201 | | |
| Core Non-interest Income: | | | | | | | | | | | | | | |
| Deposit service charges | 221 | 224 | 243 | 234 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | | |
| Mortgage banking | 759 | 879 | 934 | 698 | 500 | 800 | 900 | 500 | 500 | 500 | 500 | 500 | | |
| Investment advisory fees and non-deposit commissions | 1,806 | 1,751 | 1,862 | 2,146 | 1,800 | 1,800 | 1,850 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | | |
| Other income | 1,196 | 1,225 | 1,242 | 1,208 | 1,850 | 1,950 | 2,050 | 2,150 | 2,000 | 2,100 | 2,150 | 2,150 | | |
| Subtotal Core | 3,982 | 4,079 | 4,281 | 4,286 | 4,390 | 4,790 | 5,040 | 4,790 | 4,640 | 4,740 | 4,790 | 4,790 | | |
| Market Sensitive Non-interest Income: | | | | | | | | | | | | | | |
| Nonrecurring Income | 0 | 127 | 188 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Total Non-Interest Income | 3,982 | 4,206 | 4,469 | 4,288 | 4,390 | 4,790 | 5,040 | 4,790 | 4,640 | 4,740 | 4,790 | 4,790 | | |
| Operating Revenue (FTE) | 18,372 | 19,530 | 20,463 | 20,602 | 24,023 | 25,067 | 26,121 | 26,359 | 26,050 | 26,708 | 27,376 | 27,759 | | |
| Non-interest Expense: | | | | | | | | | | | | | | |
| Salaries and employee benefits | 7,657 | 8,060 | 8,059 | 8,173 | 8,040 | 7,975 | 8,462 | 8,582 | 8,442 | 8,374 | 8,885 | 9,011 | | |
| Occupancy | 777 | 772 | 792 | 801 | 850 | 850 | 850 | 850 | 900 | 900 | 900 | 900 | | |
| Equipment | 390 | 390 | 377 | 395 | 400 | 400 | 450 | 450 | 450 | 450 | 450 | 450 | | |
| Marketing and PR | 514 | 208 | 557 | 542 | 500 | 500 | 500 | 500 | 500 | 525 | 525 | 525 | | |
| FDIC assessment | 300 | 274 | 286 | 257 | 325 | 325 | 325 | 325 | 325 | 350 | 350 | 350 | | |
| OREO | 12 | 110 | 12 | 4 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | | |
| Amortization of intangibles | 39 | 40 | 39 | 40 | 340 | 340 | 335 | 330 | 323 | 317 | 311 | 304 | | |
| Other expenses | 3,065 | 2,995 | 2,977 | 3,160 | 5,276 | 4,942 | 4,942 | 5,100 | 5,100 | 5,200 | 5,200 | 5,200 | | |
| Core Expenses | 12,754 | 12,849 | 13,099 | 13,372 | 15,781 | 15,382 | 15,914 | 16,028 | 16,090 | 16,066 | 16,671 | 16,790 | | |
| Nonrecurring Expense | 0 | 234 | 575 | 455 | 7,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Total Non-Interest Expense | 12,754 | 13,083 | 13,674 | 13,827 | 23,381 | 15,382 | 15,914 | 16,028 | 16,090 | 16,066 | 16,671 | 16,790 | | |
| Pre-tax Pre-Provision Earnings | 5,669 | 6,373 | 6,655 | 6,901 | 840 | 9,890 | 10,420 | 10,549 | 10,176 | 10,865 | 10,933 | 11,201 | | |
| Subtract Loan Loss Provision | 437 | (237) | 201 | 369 | 250 | 571 | 539 | 519 | 608 | 538 | 551 | 562 | | |
| Add Net Nonrecurring Gains(Charges) | 0 | 107 | 387 | 453 | 7,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Reported Pretax FTE Income | 5,181 | 6,684 | 6,588 | 6,406 | 392 | 9,114 | 9,668 | 9,812 | 9,352 | 10,105 | 10,154 | 10,407 | | |
| FTE Tax Rate (reported) | 23% | 22% | 21% | 25% | 10% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | | |
| Reported Net Income | 3,997 | 5,186 | 5,192 | 4,830 | 353 | 7,109 | 7,541 | 7,653 | 7,295 | 7,882 | 7,920 | 8,118 | | |
| Normalized Net Income | 3,997 | 5,271 | 5,584 | 5,357 | 6,126 | 7,109 | 7,541 | 7,653 | 7,295 | 7,882 | 7,920 | 8,118 | | |
| Per Share Data: | | | | | | | | | | | | | | |
| Diluted EPS - Reported | 0.51 | 0.67 | 0.67 | 0.62 | 0.04 | 0.75 | 0.80 | 0.81 | 0.77 | 0.83 | 0.84 | 0.86 | | |
| Diluted EPS - Core | 0.51 | 0.68 | 0.72 | 0.69 | 0.65 | 0.75 | 0.80 | 0.81 | 0.77 | 0.83 | 0.84 | 0.86 | | |
| Dividends | 0.15 | 0.15 | 0.16 | 0.16 | 0.16 | 0.16 | 0.17 | 0.17 | 0.17 | 0.17 | 0.18 | 0.18 | | |
| Payout ratio | 29% | 23% | 24% | 26% | 430% | 21% | 21% | 21% | 22% | 20% | 21% | 21% | | |
| Book Value | 19.52 | 20.23 | 21.01 | 21.78 | 22.20 | 22.80 | 23.44 | 24.09 | 24.70 | 25.37 | 26.04 | 26.72 | | |
| Tangible Book Value | 17.56 | 18.28 | 19.06 | 19.84 | 19.95 | 20.58 | 21.25 | 21.94 | 22.58 | 23.29 | 23.99 | 24.71 | | |
| Avg. F.D. Shares Outstanding (000s) | 7,768 | 7,787 | 7,786 | 7,787 | 9,493 | 9,453 | 9,453 | 9,453 | 9,453 | 9,453 | 9,453 | 9,453 | | |
| Profitability Measures: | | | | | | | | | | | | | | |
| Return on Assets (Reported) | 0.82% | 1.02% | 1.00% | 0.92% | 0.06% | 1.19% | 1.23% | 1.23% | 1.19% | 1.25% | 1.23% | 1.24% | | |
| Return on Assets (Normalized) | 0.82% | 1.04% | 1.08% | 1.03% | 1.05% | 1.19% | 1.23% | 1.23% | 1.19% | 1.25% | 1.23% | 1.24% | | |
| Return on Common Equity (Norm.) | 11.01% | 13.62% | 12.99% | 11.64% | 0.69% | 13.53% | 13.81% | 13.64% | 12.95% | 13.48% | 13.05% | 13.03% | | |
| Net Interest Margin | 3.13% | 3.21% | 3.28% | 3.32% | 3.62% | 3.65% | 3.70% | 3.73% | 3.74% | 3.75% | 3.76% | 3.77% | | |
| Efficiency Ratio | 69% | 67% | 67% | 67% | 97% | 61% | 60% | 60% | 61% | 60% | 60% | 60% | | |
| Fee Income % Revenues | 22% | 21% | 22% | 21% | 18% | 19% | 19% | 18% | 18% | 18% | 17% | 17% | | |
| Balance Sheet: | | | | | | | | | | | | | | |
| EOP Loans | 1,251,980 | 1,260,055 | 1,279,310 | 1,311,019 | 1,519,001 | 1,556,976 | 1,591,230 | 1,623,054 | 1,647,400 | 1,680,348 | 1,713,955 | 1,748,234 | | |
| Average Loans | 1,239,225 | 1,263,027 | 1,280,814 | 1,302,826 | 1,509,169 | 1,537,989 | 1,574,103 | 1,607,142 | 1,635,227 | 1,663,874 | 1,697,152 | 1,731,095 | | |
| Average Earning Assets | 1,872,026 | 1,924,379 | 1,944,293 | 1,965,918 | 2,219,169 | 2,247,989 | 2,284,103 | 2,317,142 | 2,345,227 | 2,373,874 | 2,407,152 | 2,441,095 | | |
| Average Total Assets | 1,981,493 | 2,033,216 | 2,051,815 | 2,072,128 | 2,360,818 | 2,391,477 | 2,429,897 | 2,465,045 | 2,494,923 | 2,525,398 | 2,560,800 | 2,596,909 | | |
| Asset Quality Measures: | | | | | | | | | | | | | | |
| Provision % Avg. Loans | 0.14% | -0.08% | 0.06% | 0.11% | 0.07% | 0.15% | 0.14% | 0.13% | 0.15% | 0.13% | 0.13% | 0.13% | | |
| Net Charge-offs % Avg. Loans | 0.00% | 0.00% | 0.00% | 0.01% | 0.02% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | | |
| Loss Reserve % Loans | 1.09% | 1.06% | 1.05% | 1.05% | 0.99% | 0.99% | 0.99% | 0.99% | 1.00% | 1.00% | 1.00% | 1.00% | | |
| Nonperforming Asset Ratio (%) | 0.05% | 0.04% | 0.07% | 0.03% | 0.06% | 0.06% | 0.06% | 0.06% | 0.05% | 0.05% | 0.05% | 0.05% | | |
| Capital & Leverage Measures: | | | | | | | | | | | | | | |
| Total Equity % Assets | 7.4% | 7.6% | 7.8% | 8.1% | 8.8% | 8.9% | 9.0% | 9.2% | 9.3% | 9.4% | 9.5% | 9.6% | | |
| Tangible Common Equity % Assets | 6.7% | 6.9% | 7.1% | 7.5% | 8.0% | 8.1% | 8.3% | 8.4% | 8.5% | 8.7% | 8.8% | 9.0% | | |
| Earnings Retention Ratio (%) | 71% | 77% | 76% | 74% | -330% | 79% | 79% | 79% | 78% | 80% | 79% | 79% | | |
| Avg. Loans % Avg. Erm Assets | 66% | 66% | 66% | 66% | 68% | 68% | 69% | 69% | 70% | 70% | 71% | 71% | | |

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COMPANY DESCRIPTION

First Community Corporation, headquartered in Lexington, South Carolina, is a \$1.9 billion asset bank that operates 21 branches, primarily in the midlands region of the state, with a growing presence in Greenville and eastern Georgia.



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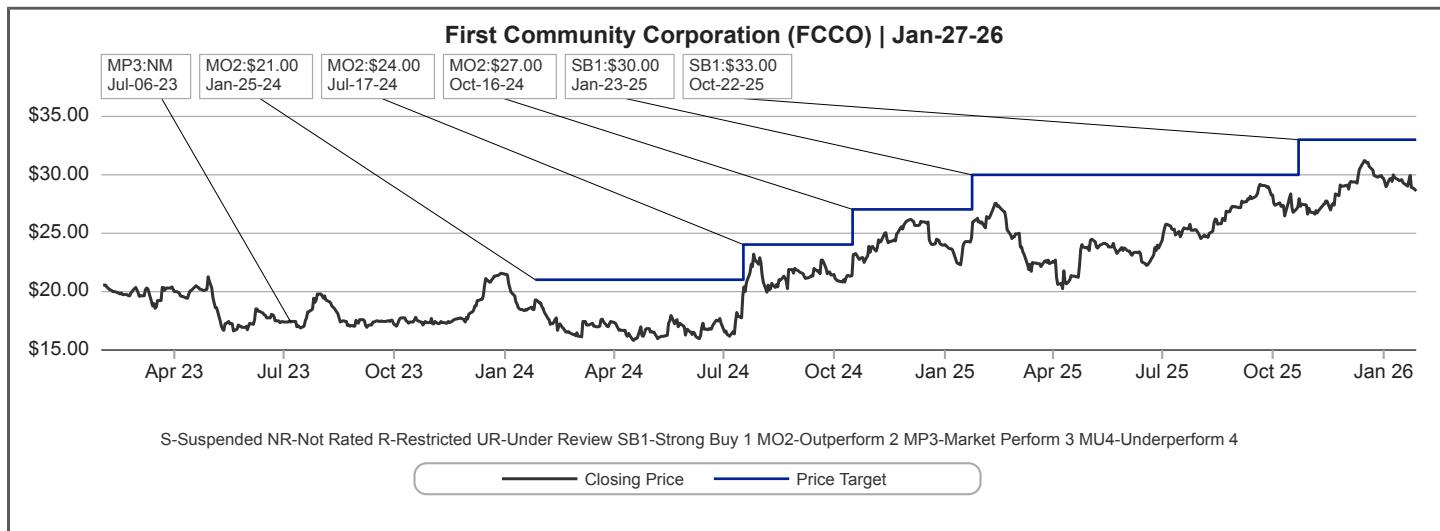
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Valuation Methodology

First Community Corporation

For First Community Corporation, our valuation methodology utilizes a 12-month estimate of intrinsic value and also takes into consideration the company's price/tangible book value and P/E ratio in comparison to its return on tangible equity and its peer group.

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Company Specific Risk Factors

First Community Corporation

Interest Rate Risk: As a commercial bank, First Community's revenue stream is sensitive to changes in interest rates, and earnings estimates could vary based on changes in the slope of the yield curve.

Credit Risk: First Community originates residential, commercial, and consumer loans, which may enter default, especially during times of economic stress. Depending on the health of the economy and the creditworthiness of its borrowers, loans could default more rapidly than anticipated, which could translate into higher losses at the bank.

Macroeconomic Risk: If unemployment levels rise or if the housing market weakens further, credit losses could accelerate more rapidly than anticipated, causing downside to our earnings expectations. Conversely, if unemployment levels decline and the housing market strengthens meaningfully, or if losses in weak markets are less than expected, there could be upside to our estimates.

Competition: Substantial competition exists in all of First Community's primary markets, from domestic banks and thrifts, foreign banks, and specialty finance companies. The level and aggressiveness of competition could lead to adverse pressures on both asset yields and funding costs, which could negatively impact First Community's margins and pressure its profitability.

Regulatory Reform: With the myriad regulatory and legislative changes facing the industry, these amendments will pressure fee income across the industry. First Community's asset size excludes it from the debit interchange provision in the Durbin amendment under the Dobb-Frank Act; however, competitive industry pressures will likely force the company to charge similar fees in order to compete, which will ultimately impact profitability.

Acquisition Risk: Acquiring a financial services company involves a number of risks, including those related to asset quality issues, loss of customers, entering new and unfamiliar markets, and integration of the acquired bank. In particular, integration poses a number of challenges, as the company must expend substantial resources to integrate acquired entities. Such failure to integrate acquired entities may adversely affect the company's results of operations and financial condition.

Our suitability rating takes into account the highly competitive banking industry and the potentially adverse impact of continued loan growth pressures on the company's net interest income.

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| Company Name | Disclosure |
|-----------------------------|--|
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|--|--|------|-----|------|----------------------------------|-----|-----|-----|
| | RJA | | RJL | | RJA | | RJL | |
| Strong Buy and Outperform (Buy) | 566 | 60% | 184 | 72% | 86 | 15% | 50 | 27% |
| Market Perform (Hold) | 359 | 38% | 68 | 27% | 24 | 7% | 8 | 12% |
| Underperform (Sell) | 15 | 2% | 2 | 1% | 0 | 0% | 0 | 0% |
| Total Number of Companies | 940 | 100% | 254 | 100% | 110 | | 58 | |

*Columns may not add to 100% due to rounding.

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