

FIRST COMMUNITY CORPORATION (FCCO-NASDAQ)

Banking

Steve Moss | (202) 872-5931 | steve.moss@raymondjames.com

Thomas Reid, CFA, Sr. Res. Assoc. | thomas.reid@raymondjames.com

Chase Steward, Research Associate | chase.steward@raymondjames.com

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

	Count	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 Earning Assets	Cost of Int-Bear. Liabilities	Non-Int. Income/Revenue	Efficiency Ratio	NCOs/ Avg. Loans	NPLs/ Loans	Reserves/ Loans	Reserves/ NPAs	TCE Ratio	Leverage Ratio	CET1 Ratio
C&F Financial Corporation	CFFI	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.	EFISI	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%	6.94%	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 Bankshares, 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			Estimates		vs. RJ		vs. Consensus	
	Actual	RJ	Street			\$mm/bp	EPS	\$mm/bp	EPS
Income Statement (\$mm)	NII	16.4	16.5	16.3		-0.1	(0.006)	0.1	0.014
	Provision	0.4	0.3	0.4		0.1	(0.010)	0.0	0.002
	Core Fee Revenue	4.3	3.9	4.0		0.4	0.037	0.3	0.028
	Core Expenses	13.4	13.1	13.1		0.3	(0.025)	0.3	(0.030)
	Core Net Income	5.4	5.3	5.1		0.0	0.001	0.3	0.027
	Core EPS	0.69	0.69	0.68		0.00	-	0.01	-
	Tax rate	24.6%	22.0%	22.0%		260 bp	(0.018)	259 bp	(0.018)
	Avg. Dil. Shares	7.8	7.8	7.8		0.0	(0.003)	0.0	0.003
Bal Sheet/Other (\$mm)	NIM	3.32%	3.34%	3.31%		-2 bp	(0.008)	1 bp	0.003
	Loans EOP	1,311	1,306	1,301		5	-	10	-
	Deposits EOP	1,750	1,802	1,776		-53	-	-26	-
	AEA	1,966	1,963	1,959		3	0.003	7	0.006
	Core efficiency ratio	64.5%	64.3%	64.3%		24 bp	-	26 bp	-
	Core ROA	1.03%	1.02%	1.02%		1 bp	-	1 bp	-
	Core ROE	12.9%	13.0%	12.4%		-6 bp	-	52 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

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

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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

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First Community Corp				Raymond James & Associates				
1/28/2026				Steve Moss (202) 872-5931				
(\$ in thousands, except as noted)				steve.moss@raymondjames.com				
	2024	% Chg	2025	% Chg	2026E	% Chg	2027E	% Chg
<u>Income Statement Summary:</u>								
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%
<u>Per Share Data:</u>								
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%
<u>Profitability Measures:</u>								
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%	
<u>Balance Sheet</u>								
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%
<u>Asset Quality Measures:</u>								
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%	
<u>Capital & Leverage Measures:</u>								
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 % Ava. 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	4,942	5,100	5,100	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. Emrg 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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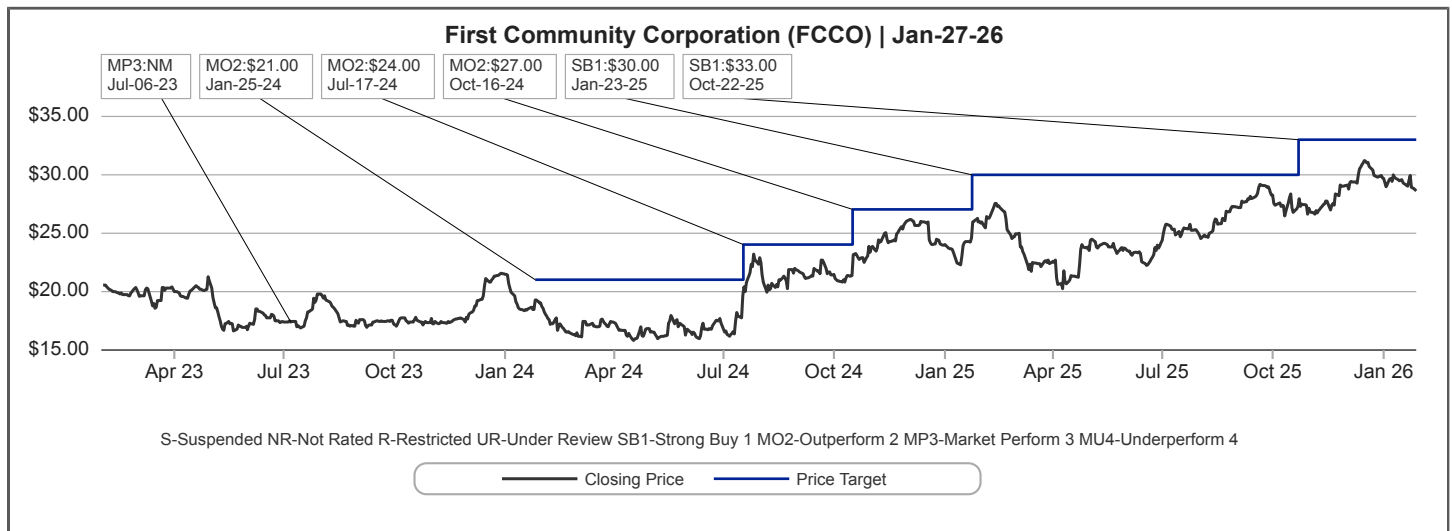
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Valuation Methodology

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.

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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.

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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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	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.

* Total does not include companies with a suspended rating.

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