FIRST COMMUNITY CORPORATION (FCCO-NASDAQ)

Banking

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COMPANY COMMENT

Upgrade to Outperform, $21 PT, as Earnings Outlook Improves

RECOMMENDATION

4Q23 EPS Breakdown

Reported	Core	Consensus	RJ
$0.43	$0.43	$0.37 ($0.36-$0.38)	$0.36

We upgrade FCCO from Market Perform to **Outperform** and establish a **$21 price target** as we believe earnings are approaching a trough and should improve due to expected Fed rate cuts and organic growth from the bank's strong markets in South Carolina and Georgia. With a conservative credit culture and strong core deposit base (84% core, 29% non-interest bearing) the bank is attractively valued at 1.2x TBV given its franchise value, and we view the risk-reward as attractive.

- **FCCO reported 4Q23 EPS of $0.43,** seven cents ahead of our estimate and six cents ahead of consensus. The beat relative to our estimates was driven by higher NII, lower expenses, and higher fees.
- **Strong loan growth continues and reflects the bank's attractive South Carolina markets.** Total loans increased 3.9% LQ, driven by $41.7M of commercial loan production and $23.3M of construction draws. FCCO indicated that the pipeline softened during 4Q23, but that conversations with borrowers have picked up since the start of the year. FCCO expects mid-to-high single digit commercial loan growth in 2024, we model 8%.
- **NIM pressure near-term, but expansion likely in 2H24.** FCCO's NIM declined seven bp LQ to 2.89%, as funding pressures continued. NIM pressure will likely persist near-term, but the Fed's pivot has helped slow the pace of funding pressures which bodes well for FCCO's liability sensitive balance sheet. We estimate a 50 bp decline in money market rates would reduce quarterly interest expense by $497K, or $0.05/share, all else equal. Additionally, FCCO's NIM should benefit from renewals repricing to the ~7.5% range, versus the portfolio yield of 5.2%. We model a 4Q24 NIM of 2.95%, which includes three 25 bp rate cuts.
- **Credit remains pristine.** NPAs remained low at 8 bp of related assets as of 4Q23, and FCCO recorded a $1K net recovery. FCCO noted that borrowers continue to have strong cash flows and that only a few loans have debt service coverage issues and that management is actively working with the borrowers to work to a resolution. We model a YE24 LLR ratio of 1.10%, versus 1.08% as of 4Q23.
- **Capital remains strong.** The TCE/TA ratio was 6.4% as of Dec. 31, 2023, versus 6.1% as of September 30, 2023, due to lower AOCI marks (~$3.70 per share) and profitability. Regulatory capital ratios remain strong, with the leverage ratio at 8.5% as of December 31, 2023.
- **We increase our 2024 and 2025 EPS estimates** to $1.50 and $1.90 from $1.20 and $1.30, respectively, to reflect the addition of three 25 bp rate cuts in 2024 to our model.

VALUATION

FCCO shares trade at 12.3x our 2024E EPS, in-line with small cap peers, but a discount to its 10-yr median NTM P/E of 12.8x. Additionally, FCCO shares trade at 1.2x TBV, a discount small cap peers at 1.4x. Our $21 price target values FCCO shares at 12.4x our 2H24 annualized EPS estimate of $1.70, and $1.2x our YE24 TBV estimate, which does not include potential AOCI accretion.

Outperform 2 ↑ old: Market Perform 3
Target Price $21.00 old: NM

Bear Case	Jan-24-24	Target Price	Bull Case
14.00	18.46	21.00	24.00
-21%		+17%	+33%

** potential return inclusive of dividend*

Suitability	MA/ACC

MARKET DATA

Current Price (Jan-24-24)	$18.46
Market Cap (mln)	$140
Current Net Debt (mln)	$138
Enterprise Value (mln)	$278
Shares Outstanding (mln)	7.6
30-Day Avg. Daily Value (mln)	$0.4
Dividend	$0.56
Dividend Yield	3.0%
52-Week Range	$16.30 - $22.00
BVPS	$17.23
Tangible BVPS	$15.23
ROE	10.3%
ROAE	10.3%
ROTE	11.7%

KEY FINANCIAL METRICS

	1Q	2Q	3Q	4Q
Non-GAAP EPS ($, Dec FY)				
2022A	0.46	0.42	0.52	0.54
2023A	0.45	0.43	0.35	0.36
new	**0.45**	**0.43**	**0.35**	**0.43**
2024E	0.31	0.30	0.30	0.29
new	**0.32**	**0.33**	**0.42**	**0.43**
2025E	0.31	0.32	0.33	0.34
new	**0.41**	**0.49**	**0.48**	**0.52**

	2022A	2023A	2024E	2025E
Non-GAAP EPS ($, Dec FY)				
old	1.93	1.60	1.20	1.30
new	**1.93**	**1.67**	**1.50**	**1.90**
P/E (Non-GAAP)				
	9.6x	11.0x	12.3x	9.7x
GAAP EPS ($, Dec FY)				
old	1.92	1.47	1.20	1.30
new	**1.92**	**1.55**	**1.50**	**1.90**
Operating Revenue (mln) ($, Dec FY)				
old	60	59	58	62
new	**60**	**59**	**62**	**69**

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.

		FCCO	Estimates		vs. RJ		vs. Consensus	
		Actual	RJ	Street	$mm/bp	EPS	$mm/bp	EPS
Income Statement ($mm)	NII	12.3	12.1	12.1	0.2	0.025	0.2	0.020
	Provision	0.4	0.3	0.4	0.1	(0.008)	0.0	(0.004)
	Core Fee Revenue	2.9	2.7	2.9	0.2	0.021	0.0	(0.001)
	Core Expenses	10.7	10.9	11.0	-0.2	0.025	-0.4	0.037
	Core Net Income	3.3	2.7	2.8	0.6	0.060	0.5	0.050
	Core EPS	0.43	0.36	0.37	0.07	-	0.06	-
	Tax rate	20.5%	21.5%	22.6%	-100 bp	0.004	-214 bp	0.009
	Avg. Dil. Shares	7.7	7.6	7.6	0.0	(0.009)	0.0	(0.003)
Bal Sheet/Other ($mm)	NIM	2.89%	2.91%	2.93%	-2 bp	(0.007)	-4 bp	(0.016)
	Loans EOP	1,134	1,111	1,116	23	-	18	-
	Deposits EOP	1,511	1,519	1,492	-8	-	19	-
	AEA	1,695	1,651	1,651	43	0.033	44	0.032
	Efficiency ratio	69.9%	73.7%	73.2%	-375 bp	-	-330 bp	-
	ROA	0.72%	0.61%	0.64%	12 bp	-	9 bp	-
	ROE	10.3%	8.7%	9.3%	161 bp	-	95 bp	-
	NCO's	0.00	0.03	-	0.0	-	-	-

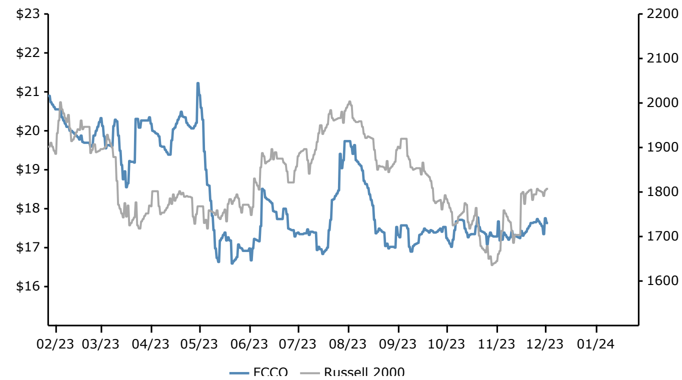
Source: FactSet, S&P Global, Raymond James research, company filings

Note: consensus estimates may not add due to rounding

THE BIG PICTURE

We are upgrading shares of FCCO from Market Perform to **Outperform** and establishing a **$21 price target** following stellar 4Q23 results. FCCO reported 4Q23 EPS of $0.43, seven cents ahead of our estimate and six cents ahead of consensus. We are optimistic on the outlook for FCCO in 2024 as marginally lower ST rates would likely provide funding cost relief while the bank's largely fixed rate loan portfolio continues to reprice higher, improving profitability and driving EPS growth.

PRICE PERFORMANCE



COMPANY DESCRIPTION

First Community Corporation, headquartered in Lexington, South Carolina, is a $1.7 billion asset bank that operates 22 branches, primarily in the midlands region of the state, with a growing presence in Greenville and eastern Georgia.

FIRST COMMUNITY CORPORATION RISK/REWARD

Bear Case		Current Price		Price Target (Base Case)		Bull Case
$14.00	(21)%	$18.46	17%	$21.00	33%	$24.00

Bear Case: ST rates hold steady or increase, which pressures EPS. Shares trade at ~0.9x our YE24 estimated TBV of $16.04.

Price Target (Base Case): Shares trade at 12.4x our 2H24 annualized EPS estimate of $1.70, and $1.2x our YE24 TBV estimate.

Bull Case: Shares trade at ~14x our 2024 EPS estimate as rate cut expectations increase or continue into 2025, which would support an upward bias to estimates.

FCCO 4Q23 - Actual vs. Raymond James and Consensus

	Actual	Raymond James	dif (+/-)	Consensus	dif (+/-)	Street High	Street Low	Consensus # of Estimates
PER SHARE DATA								
Operating EPS	$0.43	$0.36	$0.07	$0.37	$0.06	$0.38	$0.36	4
Book value per share	17.23	16.48	0.75	16.47	0.76	16.51	16.40	4
Tangible book value	15.23	14.48	0.75	14.52	0.71	14.61	14.48	4
Dividends per share	0.14	0.14	0.00	0.14	0.00	0.14	0.14	4
Avg. fully diluted shares (mil.)	7.7	7.6	0.0	7.6	0.0	7.7	7.6	4
INCOME STATEMENT								
Net interest income (FTE)	12.3	12.1	0.2	12.1	0.2	12.4	12.0	4
Loan loss provision	0.4	0.3	0.1	0.4	0.0	0.4	0.3	4
Core fee income	2.9	2.7	0.2	2.9	0.0	3.1	2.7	4
Operating Revenue (FTE)	15.3	14.8	0.4	15.1	0.2	15.4	14.7	3
Core expenses	10.7	10.9	-0.2	11.0	-0.4	11.4	10.9	4
Taxes	0.9	0.7	0.1	0.8	0.0	0.9	0.8	3
Core net income	3.3	2.7	0.6	2.8	0.5	2.9	2.7	3
BALANCE SHEET								
Loans (EOP)	1,134	1,111	23	1,116	18	1,119	1,111	3
Average Loans	1,121	1,101	20	1,103	19	1,104	1,101	2
Deposits (EOP)	1,511	1,519	-8	1,492	19	1,492	1,492	1
Average Deposits	1,499	1,458	40	1,514	-15	1,514	1,514	1
Average Earning Assets	1,695	1,651	43	1,651	44	1,679	1,623	3
Total Assets	1,828	1,776	52	1,773	55	1,807	1,739	1
ASSET QUALITY								
Non-performing Loans	0.0	0.9	-0.9	-	-	-	-	0
Non-performing Assets	0.9	1.5	-0.6	-	-	-	-	0
Net charge-offs	(0.0)	0.0	0.0	-	-	-	-	0
Net charge-offs / Avg. loans	0.00%	0.01%	-0.01%	0.04%	-0.04%	0.10%	0.01%	3
FINANCIAL RATIOS								
Net interest margin (NIM)	2.89%	2.91%	-2 bp	2.93%	-4 bp	2.94%	2.91%	4
Efficiency ratio	69.9%	73.7%	-375 bp	73.2%	-330 bp	74.0%	72.4%	4
ROA	0.72%	0.61%	11 bp	0.6%	8 bp	0.66%	0.61%	4
ROE	10.3%	8.7%	161 bp	9.3%	94 bp	10.4%	8.7%	4
ROTE	11.7%	9.9%	180 bp	10.4%	128 bp	10.7%	10.1%	3

Source: S&P Global, Factset, Raymond James research, company reports
Note: Dollar amounts in millions, except per share data

FCCO 4Q23 - Summary Results

	4Q23	RJ 4Q23E	dif (+/-)	3Q23	Q/Q	4Q22	Y/Y
PER SHARE DATA							
Operating EPS	$0.43	$0.36	$0.07	$0.35	$0.08	$0.54	-$0.11
Reported EPS (GAAP)	0.43	0.36	0.07	0.23	0.20	0.53	-0.10
Book value per share	17.23	16.48	0.75	16.26	0.97	15.62	1.61
Tangible book value	15.23	14.48	0.75	14.25	0.97	13.59	1.64
Dividends per share	0.14	0.14	0.00	0.14	0.00	0.13	0.01
Avg. fully diluted shares (mil.)	7.7	7.6	0.0	7.7	0.0	7.6	0.0
INCOME STATEMENT							
Net interest income (FTE)	12.3	12.1	0.2	12.2	0.2	13.5	-1.1
Loan loss provision	0.4	0.3	0.1	0.5	-0.1	0.0	0.4
Core fee income	2.9	2.7	0.2	3.1	-0.1	2.6	0.3
Operating Revenue (FTE)	15.3	14.8	0.4	14.0	1.3	15.9	-0.6
Core expenses	10.7	10.9	-0.2	11.3	-0.6	10.7	0.0
Taxes	0.9	0.7	0.1	0.5	0.4	1.1	-0.3
Core net income	3.3	2.7	0.6	2.7	0.6	4.1	-0.8
BALANCE SHEET							
Assets	1,828	1,776	52	1,794	34	1,673	155
Loans (EOP)	1,134	1,111	23	1,092	42	981	153
Average Loans	1,121	1,101	20	1,066	56	969	152
Deposits (EOP)	1,511	1,519	-8	1,492	19	1,385	126
Average Deposits	1,499	1,458	40	1,433	66	1,417	82
Average Earning Assets	1,695	1,651	43	1,628	67	1,563	132
Total equity	131	125	6	124	7	118	13
FINANCIAL RATIOS							
Net interest margin (NIM)	2.89%	2.91%	-2 bp	2.96%	-7 bp	3.42%	-53 bp
Core efficiency ratio	69.9%	73.7%	-375 bp	74.0%	-409 bp	66.5%	339 bp
TCE Ratio	6.4%	6.2%	14 bp	6.1%	30 bp	6.2%	18 bp
LLR / Total loans	1.08%	1.09%	-1 bp	1.08%	0 bp	1.16%	-8 bp
Net charge-offs / Avg. loans	0.00%	0.01%	-1 bp	0.00%	0 bp	0.00%	0 bp

Source: Raymond James research; company reports
Note: Dollar amounts in millions, except per share data

First Community Corp 1/24/2024 ($ in thousands, except as noted)								Raymond James & Associates Steve Moss (202) 872-5931 steve.moss@raymondjames.com
	2022	% Chg	2023	% Chg	2024E	% Chg	2025E	% Chg
Income Statement Summary:								
Net Interest Income (FTE)	48,455	6%	49,176	1%	50,192	2%	57,060	14%
Core Non-interest Income:								
Deposit service charges	960	-2%	963	0%	960	0%	960	0%
Mortgage banking	1,900	-56%	1,406	-26%	1,200	-15%	1,650	38%
Invstmnt advis. fees and non-deposit comms.	4,479	12%	4,511	1%	5,000	11%	5,200	4%
Other income	4,342	2%	4,744	9%	4,650	-2%	5,100	10%
Subtotal Core	11,681	-14%	11,624	0%	11,810	2%	12,910	9%
Nonrecurring Income	-112	-131%	-1,203	974%	0	-100%	0	NM
Total Non-interest Income	11,569	-17%	10,421	-10%	11,810	13%	12,910	9%
Operating Revenue (FTE)	59,512	1%	59,313	0%	61,500	4%	69,399	13%
Non-interest Expense:								
Salaries and employee benefits	25,357	4%	25,864	2%	26,769	3%	28,242	6%
Occupancy	3,002	2%	3,157	5%	3,400	8%	3,600	6%
Equipment	1,343	4%	1,566	17%	1,800	15%	2,000	11%
Marketing and PR	1,259	7%	1,496	19%	1,650	10%	1,800	9%
FDIC assessment	468	-24%	904	93%	1,000	11%	1,040	4%
OREO	308	193%	-112	-136%	200	-279%	200	0%
Amortization of intangibles	158	-21%	158	0%	156	-1%	156	0%
Other expenses	9,358	12%	10,111	8%	10,500	4%	11,300	8%
Core Expenses	41,253	5%	43,144	5%	45,475	5%	48,338	6%
Nonrecurring Expense	0	NM	0	NM	0	NM	0	NM
Total Non-interest Expense	41,253	5%	43,144	5%	45,475	5%	48,338	6%
Pre-tax Pre-Provision Earnings	18,771	-8%	16,453	-12%	16,527	0%	21,632	31%
Subtract Loan Loss Provision	-152	-145%	1,129	-843%	1,378	22%	2,523	83%
Add Net Nonrecurring Gains(Charges)	112	-131%	1,203	974%	0	-100%	0	NM
Reported Pretax FTE Income	18,411	-6%	15,040	-18%	14,647	-3%	18,539	27%
FTE Tax Rate (reported)	21%		21%		22%		22%	
Reported Net Income	14,613	-6%	11,843	-19%	11,498	-3%	14,553	27%
Normalized Net Income	14,701	-3%	12,793	-13%	11,498	-10%	14,553	27%
Per Share Data:								
Diluted EPS - Reported	**1.92**	**-7%**	**1.55**	**-19%**	**1.50**	**-3%**	**1.90**	**26%**
Diluted EPS - Core	**1.93**	**-4%**	**1.67**	**-13%**	**1.50**	**-10%**	**1.90**	**26%**
Dividends	0.52	6%	0.56	8%	0.56	0%	0.56	0%
Payout ratio	27%		36%		37%		29%	
Book Value	15.62	-16%	17.23	10%	18.19	6%	19.54	7%
Tangible Book Value	13.59	-18%	15.23	12%	16.20	6%	17.58	8%
Avg. F.D. Shares Outstanding (000s)	7,607	1%	7,653	1%	7,661	0%	7,666	0%
Profitability Measures:								
Return on Assets (Reported)	0.88%		0.68%		0.61%		0.74%	
Return on Assets (Normalized)	0.88%		0.68%		0.61%		0.74%	
Return on Common Equity (Norm.)	12.01%		9.55%		8.56%		10.16%	
Net Interest Margin	3.14%		3.02%		2.86%		3.10%	
Efficiency Ratio	69%		72%		73%		69%	
Fee Income % Revenues	19%		17%		19%		18%	
Balance Sheet								
EOP Loans	980,857	14%	1,134,019	16%	1,226,276	8%	1,301,525	6%
Average Loans	920,075	3%	1,047,699	14%	1,176,852	12%	1,263,551	7%
Average Earning Assets	1,541,209	9%	1,631,811	6%	1,751,852	7%	1,838,551	5%
Average Total Assets	1,652,755	9%	1,746,755	6%	1,873,638	7%	1,966,364	5%
Asset Quality Measures:								
Provision % Avg. Loans	-0.02%		0.11%		0.12%		0.20%	
Net Charge-offs % Avg. Loans	-0.03%		0.00%		0.01%		0.11%	
Loss Reserve % Loans	1.16%		1.08%		1.10%		1.12%	
Nonperforming Asset Ratio (%)	0.59%		0.08%		0.41%		0.38%	
Capital & Leverage Measures:								
Total Equity % Assets	7.1%		7.2%		7.2%		7.4%	
Tangible Common Equity % Assets	6.2%		6.4%		6.5%		6.7%	
Earnings Retention Ratio (%)	73%		64%		63%		71%	
Avg. Loans % Avg. Erng Assets	60%		64%		67%		69%	

First Community Corp — **Raymond James & Associates**
1/24/2024 — **Steve Moss (202) 872-5931**
($ in thousands, except as noted) — **steve.moss@raymondjames.com**

	1Q23	2Q23	3Q23	4Q23	1Q24E	2Q24E	3Q24E	4Q24E	1Q25E	2Q25E	3Q25E	4Q25E
Income Statement Summary:												
Net Interest Income (FTE)	12,455	12,213	12,165	12,343	11,910	12,053	12,937	13,292	13,538	14,170	14,504	14,847
Core Non-interest Income:												
Deposit service charges	232	220	240	271	240	240	240	240	240	240	240	240
Mortgage banking	155	371	508	372	200	400	400	200	250	500	500	400
Invstmnt advis. fees and non-deposit comms.	1,067	1,081	1,187	1,176	1,150	1,250	1,300	1,300	1,300	1,300	1,300	1,300
Other income	1,121	1,379	1,132	1,112	1,100	1,150	1,200	1,200	1,200	1,300	1,300	1,300
Subtotal Core	2,575	3,051	3,067	2,931	2,690	3,040	3,140	2,940	2,990	3,340	3,340	3,240
Nonrecurring Income	0	0	(1,203)	0	0	0	0	0	0	0	0	0
Total Non-interest Income	2,575	3,051	1,864	2,931	2,690	3,040	3,140	2,940	2,990	3,340	3,340	3,240
Operating Revenue (FTE)	14,932	15,188	13,967	15,226	14,481	14,972	15,948	16,099	16,393	17,369	17,699	17,939
Non-interest Expense:												
Salaries and employee benefits	6,331	6,508	6,613	6,412	6,553	6,736	6,844	6,636	6,880	7,106	7,221	7,035
Occupancy	830	813	776	738	850	850	850	850	900	900	900	900
Equipment	336	377	416	437	450	450	450	450	500	500	500	500
Marketing and PR	346	370	609	171	400	425	425	400	450	450	450	450
FDIC assessment	182	221	211	290	250	250	250	250	260	260	260	260
OREO	(133)	(30)	21	30	50	50	50	50	50	50	50	50
Amortization of intangibles	39	40	39	40	39	39	39	39	39	39	39	39
Other expenses	2,505	2,456	2,588	2,562	2,600	2,600	2,600	2,700	2,800	2,800	2,800	2,900
Core Expenses	10,436	10,755	11,273	10,680	11,192	11,400	11,508	11,375	11,879	12,105	12,220	12,134
Nonrecurring Expense	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-interest Expense	10,436	10,755	11,273	10,680	11,192	11,400	11,508	11,375	11,879	12,105	12,220	12,134
Pre-tax Pre-Provision Earnings	4,594	4,509	3,959	4,594	3,408	3,693	4,569	4,856	4,649	5,405	5,624	5,954
Subtract Loan Loss Provision	70	186	474	399	167	391	316	503	479	520	820	704
Add Net Nonrecurring Gains(Charges)	0	0	1,203	0	0	0	0	0	0	0	0	0
Reported Pretax FTE Income	4,426	4,247	2,220	4,147	3,122	3,181	4,123	4,220	4,035	4,743	4,659	5,101
FTE Tax Rate (reported)	22%	22%	21%	20%	22%	22%	22%	22%	22%	22%	22%	22%
Reported Net Income	3,463	3,327	1,756	3,297	2,451	2,497	3,237	3,313	3,167	3,724	3,657	4,005
Normalized Net Income	3,463	3,327	2,706	3,297	2,451	2,497	3,237	3,313	3,167	3,724	3,657	4,005
Per Share Data:												
Diluted EPS - Reported	**0.45**	**0.43**	**0.23**	**0.43**	**0.32**	**0.33**	**0.42**	**0.43**	**0.41**	**0.49**	**0.48**	**0.52**
Diluted EPS - Core	**0.45**	**0.43**	**0.35**	**0.43**	**0.32**	**0.33**	**0.42**	**0.43**	**0.41**	**0.49**	**0.48**	**0.52**
Dividends	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Payout ratio	31%	32%	61%	33%	44%	43%	33%	32%	34%	29%	29%	27%
Book Value	16.29	16.35	16.26	17.23	17.41	17.60	17.89	18.19	18.46	18.81	19.15	19.54
Tangible Book Value	14.26	14.33	14.25	15.23	15.41	15.61	15.90	16.20	16.48	16.84	17.19	17.58
Avg. F.D. Shares Outstanding (000s)	7,644	7,655	7,655	7,659	7,656	7,656	7,666	7,666	7,666	7,666	7,666	7,666
Profitability Measures:												
Return on Assets (Reported)	0.83%	0.77%	0.40%	0.72%	0.54%	0.54%	0.68%	0.69%	0.66%	0.76%	0.73%	0.80%
Return on Assets (Normalized)	0.83%	0.77%	0.62%	0.72%	0.54%	0.54%	0.68%	0.69%	0.66%	0.76%	0.73%	0.80%
Return on Common Equity (Norm.)	11.61%	10.77%	5.62%	10.27%	7.54%	7.52%	9.51%	9.58%	9.22%	10.54%	10.05%	10.80%
Net Interest Margin	3.19%	3.02%	2.96%	2.89%	2.81%	2.78%	2.91%	2.95%	3.03%	3.11%	3.11%	3.16%
Efficiency Ratio	69%	70%	80%	70%	77%	76%	72%	70%	72%	69%	68%	67%
Fee Income % Revenues	17%	20%	13%	19%	18%	20%	20%	18%	18%	19%	19%	18%
Balance Sheet												
EOP Loans	992,720	1,032,165	1,091,645	1,134,019	1,151,029	1,176,352	1,199,879	1,226,276	1,244,670	1,263,341	1,282,291	1,301,525
Average Loans	986,500	1,017,215	1,065,698	1,121,383	1,142,524	1,163,691	1,188,115	1,213,078	1,235,473	1,254,005	1,272,816	1,291,908
Average Earning Assets	1,581,752	1,622,420	1,628,260	1,694,813	1,717,524	1,738,691	1,763,115	1,788,078	1,810,473	1,829,005	1,847,816	1,866,908
Average Total Assets	1,695,654	1,737,044	1,744,670	1,809,653	1,836,924	1,859,562	1,885,685	1,912,382	1,936,335	1,956,156	1,976,273	1,996,693
Asset Quality Measures:												
Provision % Avg. Loans	0.03%	0.07%	0.18%	0.14%	0.06%	0.13%	0.11%	0.16%	0.16%	0.17%	0.26%	0.22%
Net Charge-offs % Avg. Loans	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.05%	0.10%	0.15%	0.15%
Loss Reserve % Loans	1.15%	1.12%	1.08%	1.08%	1.08%	1.09%	1.10%	1.10%	1.11%	1.11%	1.12%	1.12%
Nonperforming Asset Ratio (%)	0.51%	0.10%	0.07%	0.08%	0.22%	0.25%	0.42%	0.41%	0.24%	0.40%	0.39%	0.38%
Capital & Leverage Measures:												
Total Equity % Assets	7.1%	7.1%	6.9%	7.2%	7.2%	7.2%	7.2%	7.2%	7.3%	7.3%	7.4%	7.4%
Tangible Common Equity % Assets	6.3%	6.3%	6.1%	6.4%	6.4%	6.4%	6.5%	6.5%	6.5%	6.6%	6.7%	6.7%
Earnings Retention Ratio (%)	69%	68%	40%	68%	57%	58%	67%	68%	67%	72%	71%	74%
Avg. Loans % Avg. Erng Assets	62%	63%	65%	66%	67%	67%	67%	68%	68%	69%	69%	69%

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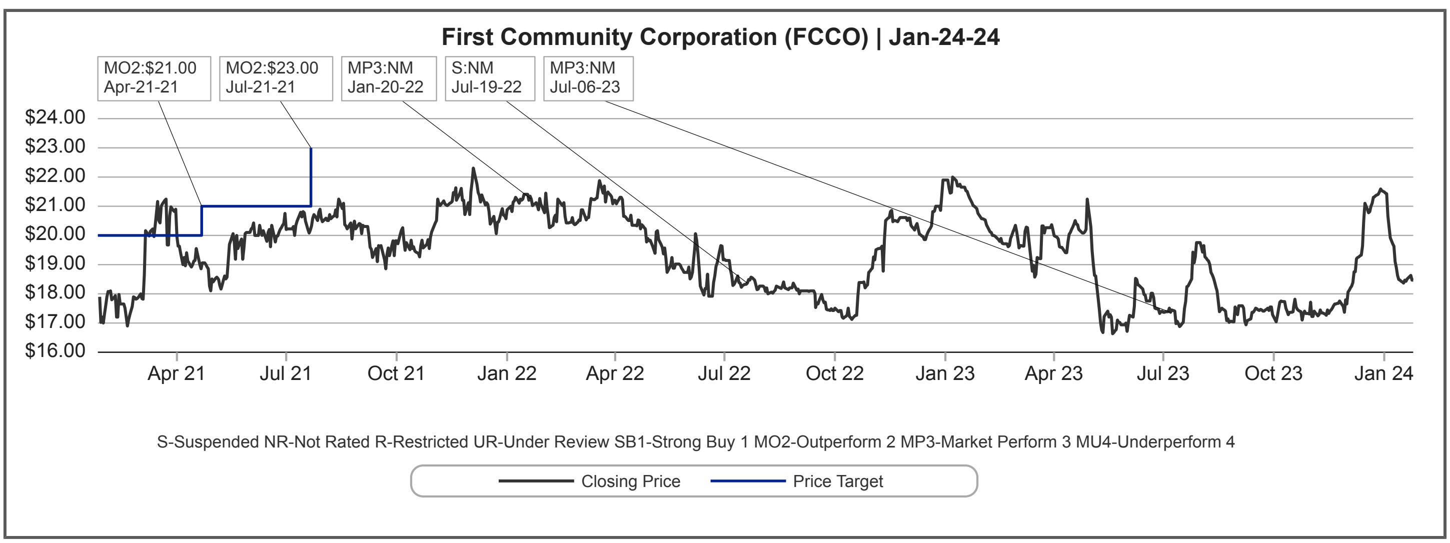

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First Community Corporation
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First Community Corporation
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Regulatory Reform: With the myriad regulatory and legislative changes facing the industry, 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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Underperform (Sell)	17	2%	1	0%	1	6%	0	0%
Total Number of Companies	927	100%	235	100%	106		46	

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

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