FIRST COMMUNITY CORPORATION (FCCO-NASDAQ)

Banking
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COMPANY COMMENT

Sunny Forecast in the Palmetto State; Reiterate Outperform, Raise PT to $24, From $21

Outperform 2
Target Price $24.00 ↑ old: $21.00

** potential return inclusive of dividend*

Suitability	MA/ACC

RECOMMENDATION

2Q24 EPS Breakdown

Reported	Core	Consensus	RJ
$0.42	$0.41	$0.36 ($0.34-$0.38)	$0.35

FCCO reported GAAP EPS of $0.42. Excluding a $95K gain on insurance proceeds, we peg core EPS at $0.41, six cents above our estimate and five cents ahead of consensus. Overall, a solid quarter for FCCO, in which an easing of funding cost pressures and continued fixed rate asset repricing resulted in significant NIM expansion, with further expansion likely. Additionally, loan growth was strong, although the outlook was tempered due to expected pay-offs, and credit quality remained pristine. At 9.9x our 2025 EPS estimate, we believe the shares remain attractive as the bank is well-positioned to grow earnings in the challenging environment. We maintain our **Outperform** rating and **increase our price target to $24, from $21.**

- **Strong loan and DDA growth.** Total loans increased $31.9M LQ, or 2.8%, driven by commercial (+$14.2M), residential mortgage (+$12.9M), and consumer (+$4.8M). FCCO expects increased pay-offs in 2H24, which tempered its 2024 loan growth outlook from high single digit to mid-to-high single digits. Total deposits increased $26.5M LQ, or 1.7%. Non-interest bearing balances increased for the second consecutive quarter (+$17.1M) to 29% of total deposits, and FCCO called a $17.7M brokered CD with an all-in cost of 5.70% on April 25, 2024. We model 7% loan growth for 2024.
- **NIM outlook improves as funding costs stabilize.** FCCO's NIM increased 14 bps LQ to 2.93%, as funding cost pressures moderated while fixed rate asset repricing continued, a trend we expect will continue. To that point, the pace of funding cost increases slowed materially, as FCCO's cost of deposits was 1.97% in June 2024, versus 1.95% in March 2024. Additionally, FCCO expects loan yields to increase ~10 bps/quarter in the current rate environment, with increases tapering off as the portfolio yield of 5.6% approaches the repricing range of mid-7%. FCCO's June NIM was 2.96%. We model a 3Q24 NIM of 2.99%.
- **Dividend increased, share repurchases possible when capital is higher.** FCCO increased its quarterly cash dividend by 7% to $0.15/share and authorized a $7.1M share repurchase plan. FCCO did not repurchase shares during 2Q24 and suggested that repurchases would be more likely once its TCE/TA ratio gets closer to 7.0%, versus 6.5% as of 1Q24. The investment portfolio was $489M as of 2Q24 (26% of total assets) with an unrealized loss of $27.3M, or $3.58/share. We model a YE24 TCE/TA ratio of 6.7%.
- **We increase our 2024 and 2025 EPS estimates** to $1.65 and $2.05, from $1.50 and $1.85, respectively.

Valuation

FCCO shares trade at 9.9x our 2025 EPS estimate and 1.3x TBV, versus small cap peers at 11.5x and 1.4x, respectively. Our $24 price target values FCCO shares at 11.7x our 2025 EPS estimate, more in-line with peers.

MARKET DATA

Current Price (Jul-17-24)	$20.37
Market Cap (mln)	$156
Current Net Debt (mln)	$139
Enterprise Value (mln)	$295
Shares Outstanding (mln)	7.6
30-Day Avg. Daily Value (mln)	$0.9
Dividend	$0.60
Dividend Yield	2.9%
52-Week Range	$15.40 - $22.00
BVPS	$17.84
Tangible BVPS	$15.85
ROE	9.7%
ROAE	9.5%
ROTE	10.7%

KEY FINANCIAL METRICS

	1Q	2Q	3Q	4Q
Non-GAAP EPS ($, Dec FY)				
2023A	0.45	0.43	0.35	0.43
2024E	0.34	0.35	0.39	0.42
new	**0.34 A**	**0.41 A**	**0.44**	**0.45**
2025E	0.36	0.46	0.49	0.54
new	**0.42**	**0.51**	**0.55**	**0.57**

	2023A	2024E	2025E
Non-GAAP EPS ($, Dec FY)			
old	1.67	1.50	1.85
new	**1.67**	**1.65**	**2.05**
P/E (Non-GAAP)			
	12.2x	12.4x	9.9x
GAAP EPS ($, Dec FY)			
old	1.55	1.50	1.85
new	**1.55**	**1.66**	**2.05**
Operating Revenue (mln) ($, Dec FY)			
old	59	62	68
new	**59**	**65**	**71**

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.

- **Expenses should remain well controlled.** FCCO expects expenses roughly around $11.8M for 3Q24, as the potential for higher incentive compensation and marketing expense, could be offset by an OREO write down that occurred in 2Q24. We expect the efficiency ratio will improve as NIM expansion continues and model a 71% efficiency ratio for 2H24, versus 72.7% for 2Q24. We model a 68% efficiency ratio for 2025.

- **Mortgage banking activity picks up and investment advisory AUM hits another new all-time high.** Mortgage production was strong at $49.0M in 2Q24, which was FCCO's greatest quarterly production since 2020, comprised of $22.7M in secondary market loans (HFS), $14.6M ARMs (HFI), and $11.7M C&D (HFI). On investment advisory, AUM was $856M as of 2Q24, a new record-high and +14.6% YTD. We model fees of $3.3M for 3Q24 as we expect mortgage to moderate.

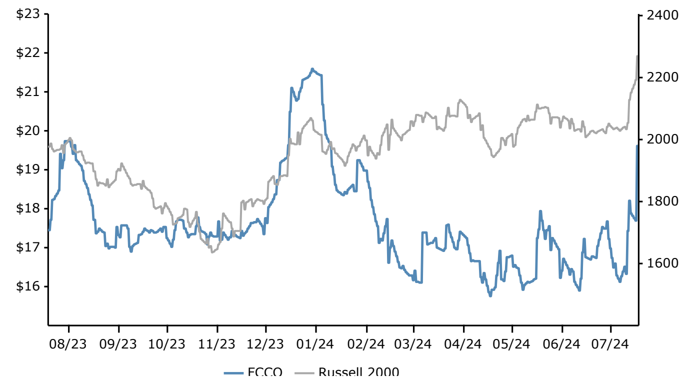
		FCCO	Estimates		vs. RJ		vs. Consensus	
		Actual	RJ	Street	$mm/bp	EPS	$mm/bp	EPS
Income Statement ($mm)	NII	12.7	12.3	12.3	0.5	0.047	0.5	0.048
	Provision	0.5	0.4	0.4	0.1	(0.008)	0.1	(0.006)
	Core Fee Revenue	3.5	3.2	3.3	0.4	0.036	0.3	0.029
	Core Expenses	11.8	11.5	11.6	0.3	(0.035)	0.3	(0.028)
	Core Net Income	3.2	2.7	2.7	0.5	0.048	0.4	0.045
	Core EPS	0.41	0.35	0.36	0.06	-	0.06	-
	Tax rate	19.2%	21.5%	22.7%	-234 bp	0.010	-355 bp	0.015
	Avg. Dil. Shares	7.7	7.7	7.7	0.0	(0.003)	0.0	(0.007)
Bal Sheet/Other ($mm)	NIM	2.93%	2.79%	2.79%	14 bp	0.061	14 bp	0.062
	Loans EOP	1,189	1,183	1,181	6	-	8	-
	Deposits EOP	1,605	1,604	1,554	1	-	51	-
	AEA	1,750	1,765	1,772	-16	(0.012)	-22	(0.017)
	Efficiency ratio	72.7%	74.4%	74.1%	-163 bp	-	-140 bp	-
	ROA	0.69%	0.58%	0.58%	11 bp	-	11 bp	-
	ROE	9.5%	8.1%	8.5%	139 bp	-	103 bp	-
	NCO's	0.01	0.00	-	0.0	-	-	-

Source: FactSet, S&P Global, Raymond James research, company filings
Note: consensus estimates may not add due to rounding

THE BIG PICTURE

Earnings outlook continues to improve after another solid quarter for FCCO, in which an easing of funding cost pressures and continued fixed rate asset repricing resulted in significant NIM expansion, with further expansion likely. Additionally, loan growth was strong, although the outlook was tempered due to expected pay-offs, and credit quality remained pristine. At 9.9x our 2025 EPS estimate, we believe the shares remain attractive as the bank is well-positioned to grow earnings in the challenging environment.

PRICE PERFORMANCE



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.

FIRST COMMUNITY CORPORATION RISK/REWARD

Bear Case		Current Price		Price Target (Base Case)		Bull Case
$15.00	« (23)% «	$20.37	» 21% »	$24.00	» 45% »	$29.00

Bear Case: ST rates hold steady or increase, which pressures EPS and credit. Shares trade at ~0.9x our YE24 estimated TBV of $16.46.

Price Target (Base Case): Shares trade at 11.7x our 2025 EPS estimate, in-line with small cap peers.

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

FCCO 2Q24 - Actual vs. Raymond James and Consensus

	Actual	Raymond James	dif (+/-)	Consensus	dif (+/-)	Street High	Street Low	Consensus # of Estimates
PER SHARE DATA								
Operating EPS	$0.41	$0.35	$0.06	$0.36	$0.06	$0.38	$0.34	3
Book value per share	17.84	17.71	0.12	17.74	0.10	17.75	17.72	3
Tangible book value	15.85	15.72	0.13	15.79	0.06	15.88	15.73	3
Dividends per share	0.14	0.14	0.00	0.14	0.00	0.14	0.14	3
Avg. fully diluted shares (mil.)	7.7	7.7	0.0	7.7	0.0	7.7	7.6	4
INCOME STATEMENT								
Net interest income (FTE)	12.7	12.2	0.5	12.3	0.5	12.3	12.2	3
Loan loss provision	0.5	0.4	0.1	0.4	0.1	0.5	0.3	3
Core fee income	3.5	3.2	0.4	3.3	0.3	3.4	3.2	3
Operating Revenue (FTE)	16.3	15.4	0.9	15.5	0.8	15.7	15.3	2
Core expenses	11.8	11.5	0.3	11.6	0.3	11.8	11.4	3
Taxes	0.8	0.7	0.0	0.8	0.0	0.8	0.8	2
Core net income	3.2	2.7	0.5	2.7	0.4	2.9	2.6	3
BALANCE SHEET								
Loans (EOP)	1,189	1,183	6	1,181	8	1,183	1,180	2
Average Loans	1,178	1,170	8	1,171	8	1,171	1,170	2
Deposits (EOP)	1,605	1,604	1	1,554	51	1,554	1,554	1
Average Deposits	1,570	1,546	24	1,583	-13	1,583	1,583	1
Average Earning Assets	1,750	1,765	-16	1,772	-22	1,779	1,765	2
Total Assets	1,885	1,888	-3	1,891	-6	1,891	1,891	1
ASSET QUALITY								
Non-performing Loans	0.2	0.9	-0.7	-	-	-	-	-
Non-performing Assets	0.7	1.5	-0.8	-	-	-	-	-
Net charge-offs	0.0	0.0	0.0	-	-	-	-	-
Net charge-offs / Avg. loans	0.00%	0.00%	0.00%	0.02%	-0.02%	0.05%	0.00%	3
FINANCIAL RATIOS								
Net interest margin (NIM)	2.93%	2.79%	14 bp	2.79%	14 bp	2.80%	2.78%	3
Efficiency ratio	72.7%	74.5%	-179 bp	74.1%	-140 bp	75.0%	73.4%	3
ROA	0.69%	0.57%	12 bp	0.6%	11 bp	0.63%	0.54%	4
ROE	9.5%	8.1%	145 bp	8.5%	103 bp	9.7%	8.1%	4
ROTE	10.7%	9.1%	162 bp	9.2%	148 bp	9.9%	8.6%	2

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

FCCO 2Q24 - Summary Results

	2Q24	RJ 2Q24E	dif (+/-)	1Q24	Q/Q	2Q23	Y/Y
PER SHARE DATA							
Operating EPS	$0.41	$0.35	$0.06	$0.34	$0.08	$0.43	-$0.02
Reported EPS (GAAP)	0.42	0.35	0.07	0.34	0.09	0.43	-0.01
Book value per share	17.84	17.71	0.12	17.50	0.34	16.35	1.49
Tangible book value	15.85	15.72	0.13	15.51	0.34	14.33	1.52
Dividends per share	0.14	0.14	0.00	0.14	0.00	0.14	0.00
Avg. fully diluted shares (mil.)	7.7	7.7	0.0	7.7	0.0	7.7	0.0
INCOME STATEMENT							
Net interest income (FTE)	12.7	12.2	0.5	12.1	0.6	12.2	0.5
Loan loss provision	0.5	0.4	0.1	0.1	0.3	0.2	0.3
Core fee income	3.5	3.2	0.4	3.2	0.4	3.1	0.5
Operating Revenue (FTE)	16.3	15.4	0.9	15.3	1.0	15.2	1.1
Core expenses	11.8	11.5	0.3	11.8	0.0	10.8	1.1
Taxes	0.8	0.7	0.0	0.7	0.0	0.9	-0.1
Core net income	3.2	2.7	0.5	2.6	0.6	3.3	-0.1
BALANCE SHEET							
Assets	1,885	1,888	-3	1,887	-2	1,741	144
Loans (EOP)	1,189	1,183	6	1,157	32	1,032	157
Average Loans	1,178	1,170	8	1,149	29	1,017	161
Deposits (EOP)	1,605	1,604	1	1,578	26	1,421	184
Average Deposits	1,570	1,546	24	1,521	49	1,409	161
Average Earning Assets	1,750	1,765	-16	1,746	4	1,622	127
Total equity	136	135	1	133	3	124	12
FINANCIAL RATIOS							
Net interest margin (NIM)	2.93%	2.79%	14 bp	2.79%	14 bp	3.02%	-9 bp
Core efficiency ratio	72.7%	74.5%	-179 bp	77.2%	-440 bp	70.5%	229 bp
TCE Ratio	6.5%	6.4%	6 bp	6.3%	15 bp	6.3%	16 bp
LLR / Total loans	1.09%	1.09%	0 bp	1.08%	1 bp	1.12%	-3 bp
Net charge-offs / Avg. loans	0.00%	0.00%	0 bp	0.01%	-1 bp	0.00%	0 bp

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

First Community Corp 7/17/2024 ($ 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%	51,562	5%	56,978	11%
Core Non-interest Income:								
Deposit service charges	960	-2%	963	0%	974	1%	960	-1%
Mortgage banking	1,900	-56%	1,406	-26%	1,784	27%	2,000	12%
Investment advisory fees and non-deposit co	4,479	12%	4,511	1%	5,866	30%	6,300	7%
Other income	4,342	2%	4,744	9%	4,587	-3%	5,000	9%
Subtotal Core	11,681	-14%	11,624	0%	13,211	14%	14,260	8%
Market Sensitive Non-interest Income:								
Nonrecurring Income	-112	-131%	-1,203	974%	95	-108%	0	-100%
Total Non-interest Income	11,569	-17%	10,421	-10%	13,306	28%	14,260	7%
Operating Revenue (FTE)	59,512	1%	59,313	0%	64,523	9%	70,668	10%
Non-interest Expense:								
Salaries and employee benefits	25,357	4%	25,864	2%	28,440	10%	29,505	4%
Occupancy	3,002	2%	3,157	5%	3,028	-4%	3,200	6%
Equipment	1,343	4%	1,566	17%	1,547	-1%	1,600	3%
Marketing and PR	1,259	7%	1,496	19%	1,649	10%	1,800	9%
FDIC assessment	468	-24%	904	93%	1,080	19%	1,040	-4%
OREO	308	193%	-112	-136%	202	-280%	200	-1%
Amortization of intangibles	158	-21%	158	0%	156	-1%	156	0%
Other expenses	9,358	12%	10,111	8%	11,035	9%	11,200	1%
Core Expenses	41,253	5%	43,144	5%	47,137	9%	48,701	3%
Nonrecurring Expense	0	NM	0	NM	0	NM	0	NM
Total Non-interest Expense	41,253	5%	43,144	5%	47,137	9%	48,701	3%
Pre-tax Pre-Provision Earnings	18,771	-8%	16,453	-12%	17,731	8%	22,537	27%
Subtract Loan Loss Provision	-152	-145%	1,129	-843%	1,268	12%	1,949	54%
Add Net Nonrecurring Gains(Charges)	112	-131%	1,203	974%	(95)	-108%	0	-100%
Reported Pretax FTE Income	18,411	-6%	15,040	-18%	16,117	7%	20,018	24%
FTE Tax Rate (reported)	21%		21%		21%		22%	
Reported Net Income	14,613	-6%	11,843	-19%	12,732	8%	15,714	23%
Normalized Net Income	14,701	-3%	12,793	-13%	12,657	-1%	15,714	24%
Per Share Data:								
Diluted EPS - Reported	**1.92**	**-7%**	**1.55**	**-19%**	**1.66**	**7%**	**2.05**	**24%**
Diluted EPS - Core	**1.93**	**-4%**	**1.67**	**-13%**	**1.65**	**-1%**	**2.05**	**24%**
Dividends	0.52	6%	0.56	8%	0.58	4%	0.60	3%
Payout ratio	27%		36%		35%		29%	
Book Value	15.62	-16%	17.23	10%	18.44	7%	19.90	8%
Tangible Book Value	13.59	-18%	15.23	12%	16.46	8%	17.94	9%
Avg. F.D. Shares Outstanding (000s)	7,607	1%	7,653	1%	7,681	0%	7,675	0%
Profitability Measures:								
Return on Assets (Reported)	0.88%		0.68%		0.68%		0.81%	
Return on Assets (Normalized)	0.89%		0.73%		0.68%		0.81%	
Return on Common Equity (Norm.)	12.01%		9.55%		9.36%		10.77%	
Net Interest Margin	3.14%		3.02%		2.93%		3.13%	
Efficiency Ratio	69%		72%		73%		68%	
Fee Income % Revenues	19%		17%		21%		20%	
Balance Sheet								
EOP Loans	980,857	14%	1,134,019	16%	1,213,092	7%	1,287,531	6%
Average Loans	920,075	3%	1,047,699	14%	1,182,457	13%	1,249,965	6%
Average Earning Assets	1,541,209	9%	1,631,811	6%	1,759,432	8%	1,819,965	3%
Average Total Assets	1,652,755	9%	1,746,755	6%	1,872,011	7%	1,936,133	3%
Asset Quality Measures:								
Provision % Avg. Loans	-0.02%		0.11%		0.11%		0.16%	
Net Charge-offs % Avg. Loans	-0.03%		0.00%		0.02%		0.07%	
Loss Reserve % Loans	1.16%		1.08%		1.11%		1.13%	
Loss Reserve % Noncurrent Lns	231%		2684%		1496%		331%	
Nonperforming Asset Ratio (%)	0.59%		0.08%		0.12%		0.39%	
Capital & Leverage Measures:								
Total Equity % Assets	7.1%		7.2%		7.4%		7.7%	
Tangible Common Equity % Assets	6.2%		6.4%		6.7%		7.0%	
Earnings Retention Ratio (%)	73%		64%		65%		71%	
Avg. Loans % Avg. Erng Assets	60%		64%		67%		69%	

First Community Corp **Raymond James & Associates**
7/17/2024
($ in thousands, except as noted)

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	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24E	4Q24E	1Q25E	2Q25E	3Q25E	4Q25E
Income Statement Summary:												
Net Interest Income (FTE)	12,455	12,213	12,165	12,343	12,117	12,733	13,246	13,466	13,477	14,113	14,603	14,784
Core Non-interest Income:												
Deposit service charges	232	220	240	271	259	235	240	240	240	240	240	240
Mortgage banking	155	371	508	372	425	659	450	250	400	600	600	400
Investment advisory fees and non-deposit co	1,067	1,081	1,187	1,176	1,358	1,508	1,500	1,500	1,500	1,600	1,600	1,600
Other income	1,121	1,379	1,132	1,112	1,142	1,145	1,100	1,200	1,200	1,200	1,300	1,300
Subtotal Core	2,575	3,051	3,067	2,931	3,184	3,547	3,290	3,190	3,340	3,640	3,740	3,540
Market Sensitive Non-interest Income:												
Nonrecurring Income	0	0	(1,203)	0	0	95	0	0	0	0	0	0
Total Non-interest Income	2,575	3,051	1,864	2,931	3,184	3,642	3,290	3,190	3,340	3,640	3,740	3,540
Operating Revenue (FTE)	14,932	15,188	13,967	15,226	15,261	16,336	16,404	16,522	16,683	17,612	18,197	18,176
Non-interest Expense:												
Salaries and employee benefits	6,331	6,508	6,613	6,412	7,101	7,303	7,100	6,936	7,385	7,522	7,384	7,214
Occupancy	830	813	776	738	790	738	750	750	800	800	800	800
Equipment	336	377	416	437	330	317	450	450	350	350	450	450
Marketing and PR	346	370	609	171	566	258	425	400	450	450	450	450
FDIC assessment	182	221	211	290	278	302	250	250	260	260	260	260
OREO	(133)	(30)	21	30	12	90	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	2,689	2,796	2,750	2,800	2,800	2,800	2,800	2,800
Core Expenses	10,436	10,755	11,273	10,680	11,805	11,843	11,814	11,675	12,134	12,271	12,233	12,063
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	11,805	11,843	11,814	11,675	12,134	12,271	12,233	12,063
Pre-tax Pre-Provision Earnings	4,594	4,509	3,959	4,594	3,496	4,437	4,722	4,981	4,683	5,482	6,110	6,261
Subtract Loan Loss Provision	70	186	474	399	129	454	280	405	476	361	575	537
Add Net Nonrecurring Gains(Charges)	0	0	1,203	0	0	(95)	0	0	0	0	0	0
Reported Pretax FTE Income	4,426	4,247	2,220	4,147	3,327	4,039	4,310	4,441	4,073	4,979	5,389	5,576
FTE Tax Rate (reported)	22%	22%	21%	20%	22%	19%	22%	22%	22%	22%	22%	22%
Reported Net Income	3,463	3,327	1,756	3,297	2,597	3,265	3,383	3,486	3,197	3,909	4,231	4,378
Normalized Net Income	3,463	3,327	2,706	3,297	2,597	3,190	3,383	3,486	3,197	3,909	4,231	4,378
Per Share Data:												
Diluted EPS - Reported	**0.45**	**0.43**	**0.23**	**0.43**	**0.34**	**0.42**	**0.44**	**0.45**	**0.42**	**0.51**	**0.55**	**0.57**
Diluted EPS - Core	**0.45**	**0.43**	**0.35**	**0.43**	**0.34**	**0.41**	**0.44**	**0.45**	**0.42**	**0.51**	**0.55**	**0.57**
Dividends	0.14	0.14	0.14	0.14	0.14	0.14	0.15	0.15	0.15	0.15	0.15	0.15
Payout ratio	31%	32%	61%	33%	41%	33%	34%	33%	36%	29%	27%	26%
Book Value	16.29	16.35	16.26	17.23	17.50	17.84	18.13	18.44	18.71	19.07	19.47	19.90
Tangible Book Value	14.26	14.33	14.25	15.23	15.51	15.85	16.15	16.46	16.74	17.10	17.51	17.94
Avg. F.D. Shares Outstanding (000s)	7,644	7,655	7,655	7,659	7,680	7,695	7,675	7,675	7,675	7,675	7,675	7,675
Profitability Measures:												
Return on Assets (Reported)	0.83%	0.77%	0.40%	0.72%	0.57%	0.71%	0.72%	0.73%	0.68%	0.81%	0.86%	0.88%
Return on Assets (Normalized)	0.83%	0.77%	0.62%	0.72%	0.57%	0.69%	0.72%	0.73%	0.68%	0.81%	0.86%	0.88%
Return on Common Equity (Norm.)	11.61%	10.77%	5.62%	10.27%	7.96%	9.74%	9.80%	9.94%	9.14%	10.87%	11.41%	11.55%
Net Interest Margin	3.19%	3.02%	2.96%	2.89%	2.79%	2.93%	2.99%	3.01%	3.05%	3.13%	3.17%	3.17%
Efficiency Ratio	69%	70%	80%	70%	77%	72%	71%	70%	72%	69%	67%	66%
Fee Income % Revenues	17%	20%	13%	19%	21%	22%	20%	19%	20%	21%	20%	19%
Balance Sheet												
EOP Loans	992,720	1,032,165	1,091,645	1,134,019	1,157,305	1,189,189	1,201,081	1,213,092	1,231,288	1,249,757	1,268,504	1,287,531
Average Loans	986,500	1,017,215	1,065,698	1,121,383	1,149,263	1,178,342	1,195,135	1,207,086	1,222,190	1,240,523	1,259,131	1,278,018
Average Earning Assets	1,581,752	1,622,420	1,628,260	1,694,813	1,745,983	1,749,525	1,765,135	1,777,086	1,792,190	1,810,523	1,829,131	1,848,018
Average Total Assets	1,695,654	1,737,044	1,744,670	1,809,653	1,857,716	1,862,009	1,877,803	1,890,517	1,906,585	1,926,088	1,945,884	1,965,976
Asset Quality Measures:												
Provision % Avg. Loans	0.03%	0.07%	0.18%	0.14%	0.05%	0.15%	0.09%	0.13%	0.16%	0.12%	0.18%	0.17%
Net Charge-offs % Avg. Loans	-0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.05%	0.05%	0.05%	0.08%	0.10%
Loss Reserve % Loans	1.15%	1.12%	1.08%	1.08%	1.08%	1.09%	1.10%	1.11%	1.12%	1.12%	1.13%	1.13%
Loss Reserve % Noncurrent Lns	277%	13743%	17639%	2684%	3367%	7475%	1468%	1496%	575%	318%	326%	331%
Nonperforming Asset Ratio (%)	0.51%	0.10%	0.07%	0.08%	0.07%	0.06%	0.12%	0.12%	0.24%	0.40%	0.39%	0.39%
Capital & Leverage Measures:												
Total Equity % Assets	7.1%	7.1%	6.9%	7.2%	7.1%	7.2%	7.4%	7.4%	7.5%	7.6%	7.6%	7.7%
Tangible Common Equity % Assets	6.3%	6.3%	6.1%	6.4%	6.3%	6.5%	6.6%	6.7%	6.8%	6.8%	6.9%	7.0%
Earnings Retention Ratio (%)	8%	7%	2%	7%	5%	7%	7%	7%	6%	8%	8%	9%
Avg. Loans % Avg. Erng Assets	62%	63%	65%	66%	66%	67%	68%	68%	68%	69%	69%	69%

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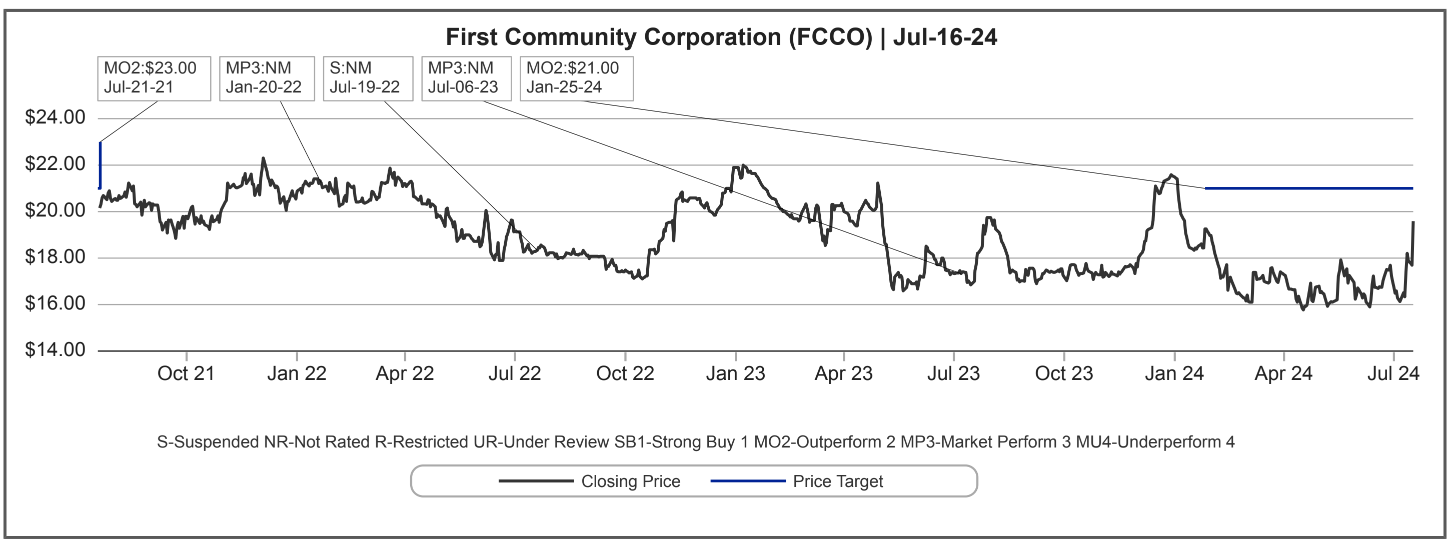

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First Community Corporation
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First Community Corporation
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Macroeconomic Risk: If unemployment levels rise or if the housing market weakens further, 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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Underperform (Sell)	19	2%	2	1%	1	5%	0	0%
Total Number of Companies	942	100%	219	100%	114		48	

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

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