



By Design.

FIRST COMMUNITY CORPORATION ANNUAL REPORT

2016

Purpose. It's what drives us and has from the very beginning. It compels us to set goals and make decisions with the long view in mind. We celebrate our successes in the moment, but recognize their true value as invitations to reinvest in the future.

Last year rewarded and renewed that approach. The result of planned growth and strategic choices, our record-breaking performance offered countless opportunities to look ahead. Some victories helped us expand our reach into new communities, while others enabled deep investment in talent and infrastructure. In all efforts, however, we were energized by the drive, commitment and ingenuity of our customers. Their achievements remain inextricably bound to our own. And their partnership continues to inspire us.

Such is the compounding nature of success. We turn today's triumph into tomorrow's opportunity — by decision and by design.

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MESSAGE FROM MIKE

Dear shareholders,

Simply put: last year was remarkable for First Community Bank.

The metrics speak for themselves — our highest ever annual and quarterly earnings, exceptional revenue, loan and pure deposit growth, which allowed us to declare the highest dividend ever paid by the bank in the first quarter of this year. Years of careful planning helped us reach new heights and achieve long-established goals. But it is the unwavering commitment of our team to honoring the First Community Bank character that makes me most proud. *How* we arrived at these victories matters even more than the achievements themselves.

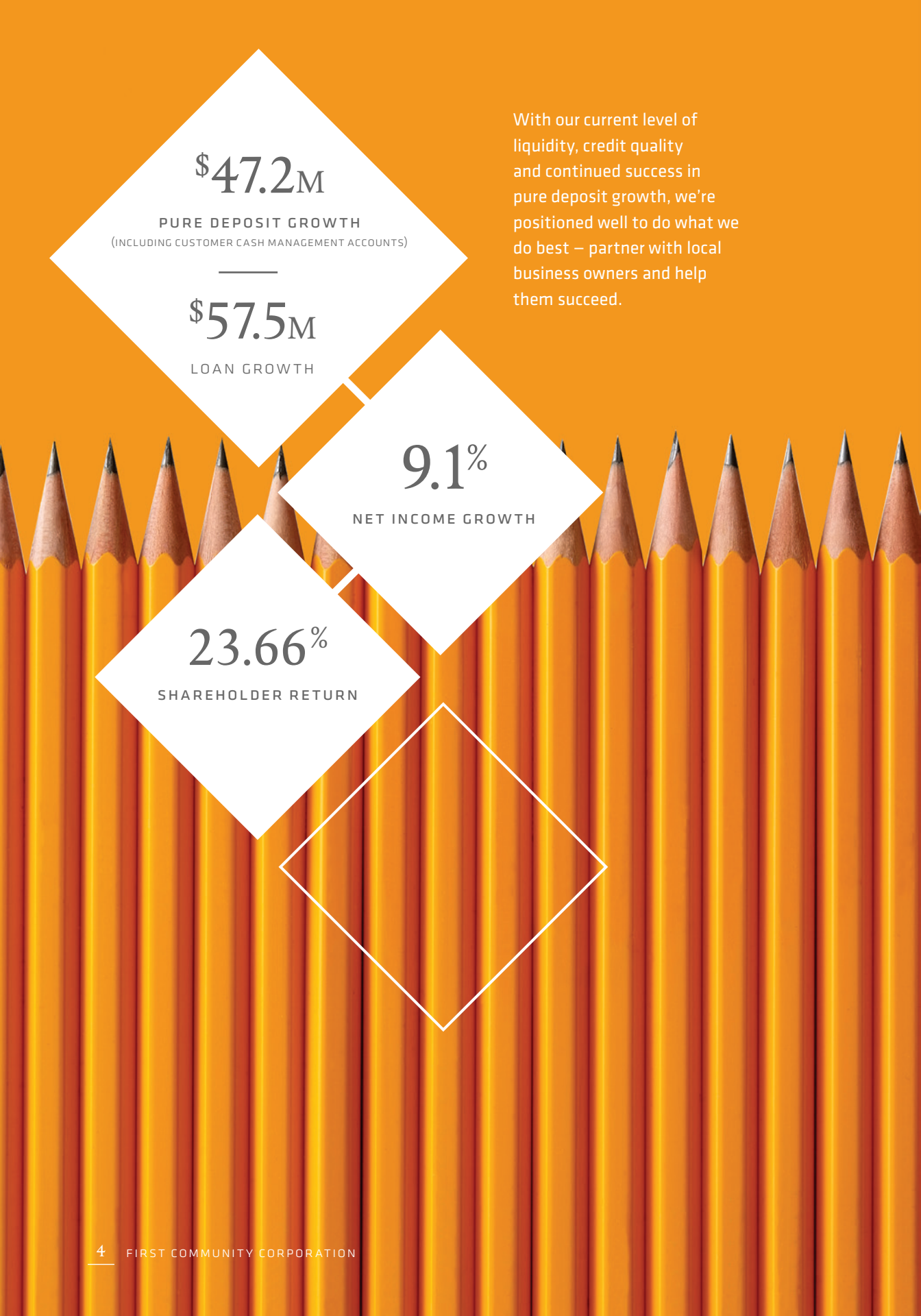
Further safeguarding our future stability, we used these opportunities to reinvest in the bank. We added significantly to the First Community Bank team, entering the Greenville market, identifying new positions in Augusta, Ga., and adding to our executive leadership team with a key new position and expanded roles. We also determined to invest heavily in our banking technology platform to offer customers the most leading-edge financial products and services available. And, as always, we remain steadfast in our lending practices and commitment to meeting the unique needs of the business owners in the local communities we call home.

The energy from last year's successes can be felt throughout each First Community Bank location. It's an exciting time to be a part of this growth, and I am proud to share it with you.



A handwritten signature in black ink that reads "Mike Crapps".

Mike Crapps
President and CEO



\$47.2M

PURE DEPOSIT GROWTH
(INCLUDING CUSTOMER CASH MANAGEMENT ACCOUNTS)

\$57.5M

LOAN GROWTH

With our current level of liquidity, credit quality and continued success in pure deposit growth, we're positioned well to do what we do best – partner with local business owners and help them succeed.

9.1%

NET INCOME GROWTH

23.66%

SHAREHOLDER RETURN

With Intent.



RECORD-BREAKING NUMBERS ON EVERY FRONT

Last year, we realized First Community Bank's highest-ever earnings led by exceptionally strong organic growth in both loans and pure deposits. Net income available to shareholders was \$6.7 million, an increase of 9.1 percent over 2015 earnings, and diluted earnings per share increased to \$0.98, 7.7 percent higher than the previous year. Fourth quarter earnings were \$1.8 million, up from \$1.6 million in the same quarter of 2015, and represent an 11.9 percent increase and the highest quarterly earnings reported for First Community Bank.

Total revenue reached \$35.4 million, a 3.5 percent increase over 2015. Our quarterly common share cash dividend increased to \$0.09 in first quarter 2017 and represents not only the highest dividend ever paid by the bank, but 60 consecutive quarters of cash dividends paid to shareholders. We realized a 23.7 percent growth in total shareholder return in 2016, and we're exceptionally proud of a three-year return of 85.62 percent.

Foremost among our 2016 successes was remixing the asset side of our balance sheet. A strategic initiative since 2015, this remixing was the result of record

loan growth — 11.8 percent, largely through the addition of the Greenville loan production office — juxtaposed with our declining securities portfolio. Our loan production last year was \$164.6 million with a net loan growth of \$57.5 million. The Greenville office reached \$21 million in loan growth just seven months after opening the doors to its new location, and our Augusta team contributed significantly to overall numbers. Fourth quarter in particular was strong, with net loan growth of \$23.3 million and a continued commitment to credit quality. As planned, our loan portfolio grew faster than deposits, allowing us to make progress in achieving our desired loan-to-earning assets mix.

And, we achieved our secondary goal of increased pure deposit growth, including customer cash management accounts — \$47.2 million, an 8.1 percent hike above 2015. Our relationships across the Midlands remain mature and robust, and our downtown Lady Street location is proving to be a productive move. As always, mortgage services and First Community Financial Consultants show constancy and strength year-to-year and add depth to what we offer our customers.

Building Capacity.



COMMITMENT TO OUR INTERNAL TEAM

At its core, First Community Bank is built around relationships, with our customers and each other. Supporting an internal team, united in both its drive to understand customer needs and dedication to upholding its individual members, is perhaps one of the most vital things we do. We used the victories from last year as an opportunity to make a deep, tangible investment in the First Community Bank team.

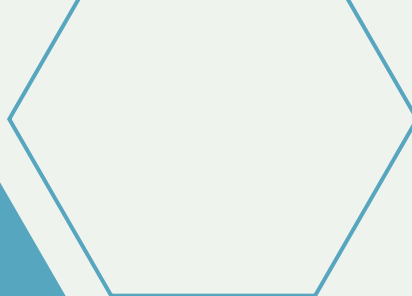
Committed to fostering the bank's continued growth while remaining focused on process improvement, risk management and customer satisfaction, we created and filled a new role within the executive leadership team — chief operations and risk officer. With this added depth in the executive leadership group, we now are even better able to explore what a diverse, robust executive team can do when its eyes are focused on the horizon.

In March of last year, we expanded our footprint in Greenville to activate our commercial banking loan production office. This team of seasoned bankers knows the Upstate well and immediately established First Community as a local partner in the fast-growing Greenville area.

We met with success within the first few months and are positioned to further evolve First Community's profile as a local banking partner that offers its customers sound counsel and great promise.

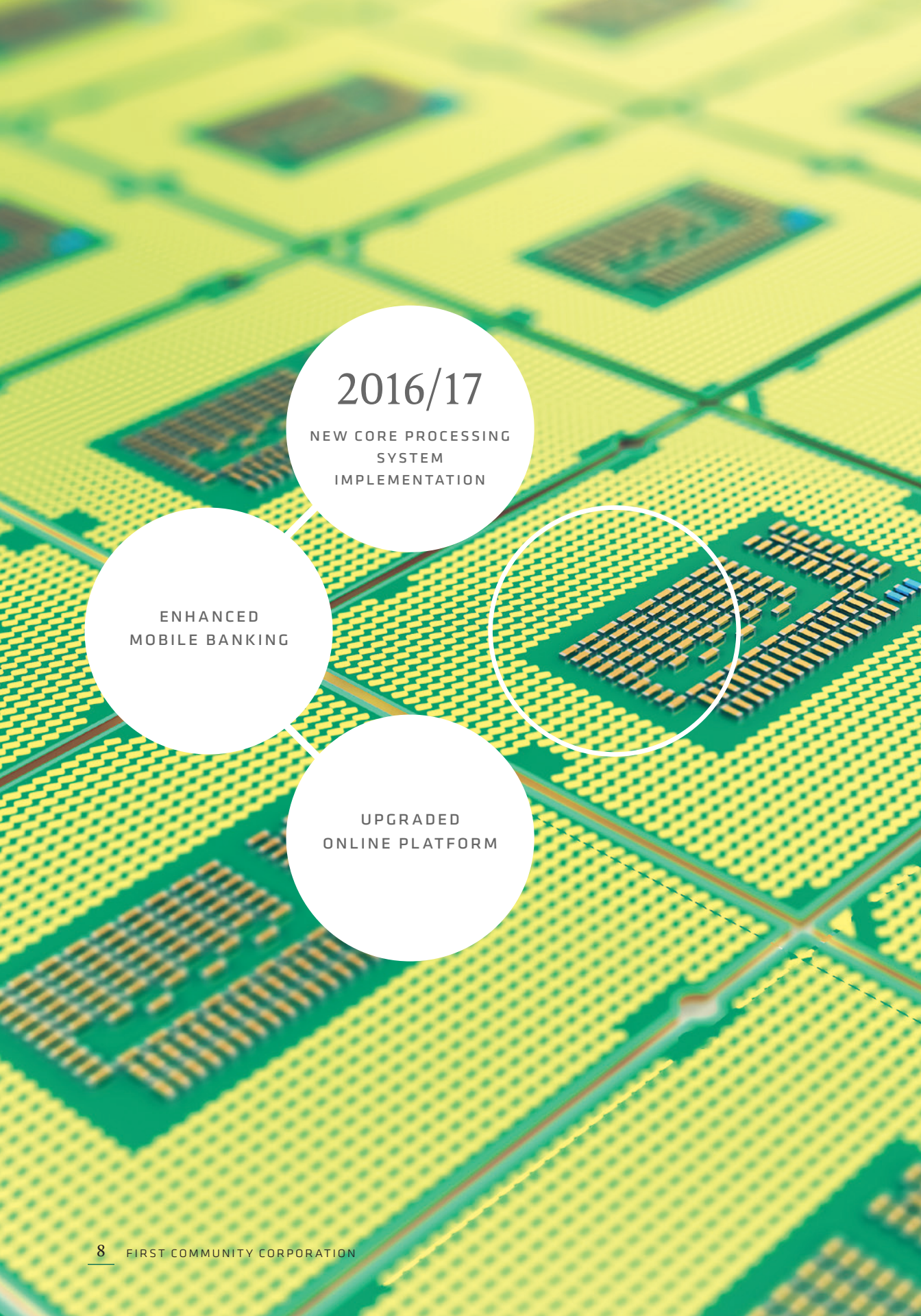
Likewise, First Community Financial Consultants welcomed two additional financial advisors to its ranks. With significant knowledge in retirement planning and estate preservation, this dynamic team has already cultivated meaningful relationships with customers across all First Community Bank markets, guiding them through the complex process of estate and trust planning.

And, to bolster the impact of our Augusta team and meet the growth opportunities of that market head on, last year we identified key new positions within the bank and began recruiting. We believe the addition of one to two business bankers, financial planners, mortgage bankers and a new board member from that area will help us grow the next chapter of First Community's presence in the Augusta market, and ensure we are prepared to meet our customers wherever they are in their financial journey.



As we grow the First Community Bank team and expand into new markets, we're assimilating our banking cultures and styles. Yet, we remain committed to an environment of equity and a community of trust. It's an exciting time to walk together as part of this growing bank family.





2016/17

NEW CORE PROCESSING
SYSTEM
IMPLEMENTATION

ENHANCED
MOBILE BANKING

UPGRADED
ONLINE PLATFORM

Continuum of Progress.



INVESTING IN THE NEXT 20 YEARS

The rate at which technology changes is mind-boggling. Yet the products and services financial institutions can now offer customers are equally astonishing. We've been planning a major investment in our infrastructure for several years, but waiting for the exact right moment to act. Last year's positive momentum afforded us just such an occasion.

First Community Bank's core system processor empowers our entire banking system. Very simply: it's the software that carries out the bank's work. To provide advanced products and services while delivering ever more personalized customer service, we're converting to a new core processor to meet the expanding needs of our customers. This new smart technology will yield significantly more sophisticated products and user-friendly customer applications. From enhanced mobile banking to an upgraded online platform, it will put more control in our customers' hands. And, it provides the bank what we need behind the scenes to increase efficiency, enhance internal workflow and streamline our processing. It's just

one of the ways we will steward the greatest possible long-term benefit for our customers and shareholders alike.

Already in 2017, we've begun internal training for this core processor conversion, which will occur in phases throughout the year. It's going well, and we're excited to introduce our customers to improved features and benefits as they come online.

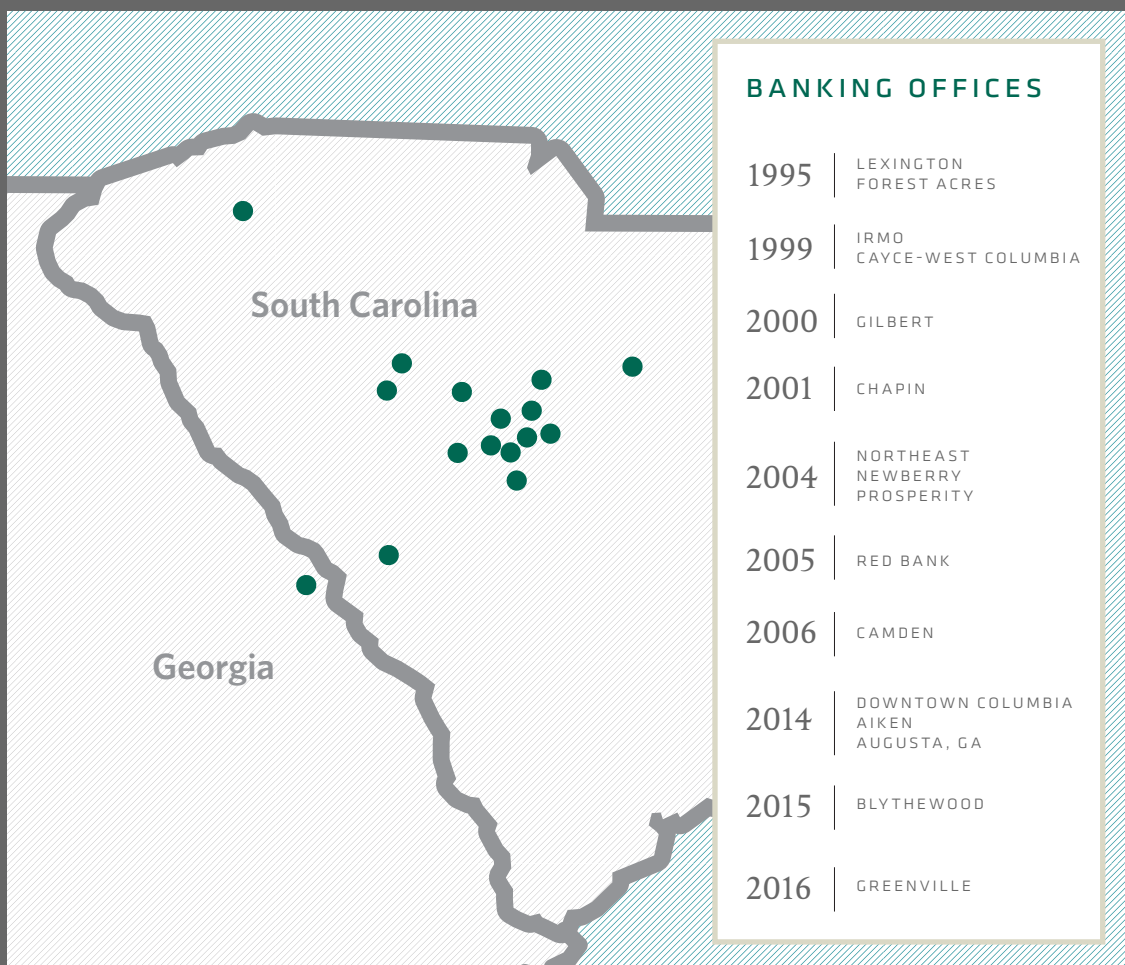
Converting to a new core processor is a significant investment, but one that will allow us to innovate and deliver the most meaningful products and services to our customers long into the future.



Momentum. You can feel it throughout First Community Bank. As the successes from 2016 carry us into this year, we know even greater things are coming.

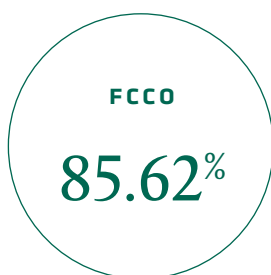
There is shared excitement for who we are becoming and a contagious, positive energy surrounding our measured growth and how it fuels tomorrow's opportunities. Yet, through it all, our touchstone remains our customers and the communities we serve. We are, and always will be, a local bank for local business owners.

We walk forward with these partners. And as we approach the billion-dollar asset threshold, we stand prepared and ready.



SHAREHOLDER RETURN VS. INDEX(S)

(THREE YEARS ENDED 12.31.2016)



**NASDAQ
BANK INDEX**

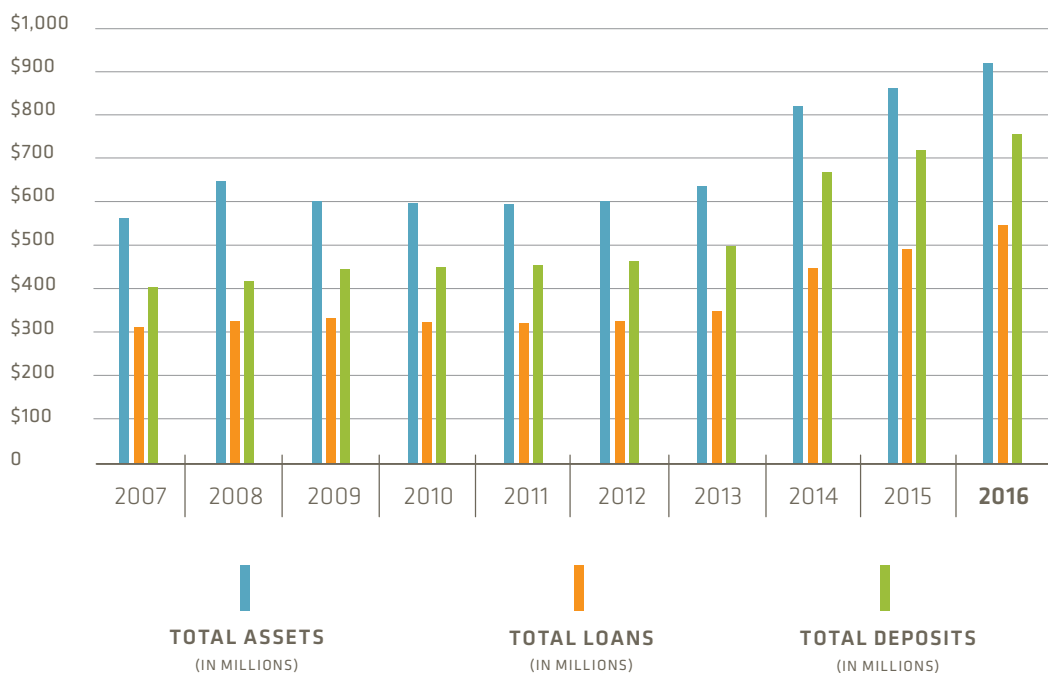
57.48%

**SNL MICROCAP
BANK INDEX**

55.04%

ASSETS, LOANS AND DEPOSITS

(IN MILLIONS)



NET INCOME

(AVAILABLE TO COMMON SHAREHOLDERS)



The Board of Directors
First Community Corporation
Lexington, South Carolina

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of First Community Corporation and subsidiary (the “Company”) as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income (loss), changes in shareholders’ equity and cash flows for each of the years in the three-year period ended December 31, 2016 (not presented herein); and in our report dated March 13, 2017, we expressed an unqualified opinion on those consolidated financial statements. The accompanying consolidated balance sheets and statements of income are the responsibility of the Company’s management. Our responsibility is to express an opinion on the information set forth in these consolidated financial statements in relation to the consolidated financial statements from which they have been derived.

In our opinion, the information set forth in the accompanying consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of income for each of the years in the three-year period ended December 31, 2016, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.



Elliott Davis Decosimo, LLC
Columbia, South Carolina
March 13, 2017

SELECTED FINANCIAL DATA

	YEAR ENDED DECEMBER 31,				
(dollars in thousands, except per share amounts)	2016	2015	2014	2013	2012
BALANCE SHEET DATA:					
Total assets	\$ 914,793	\$ 862,734	\$ 812,363	\$ 633,309	\$ 602,925
Loans held for sale	5,707	2,962	4,124	3,790	9,658
Loans	546,709	489,191	443,844	347,597	332,111
Deposits	766,622	716,151	669,583	497,071	474,977
Total shareholders' equity	81,861	79,038	74,528	52,671	54,183
Average shares outstanding, basic	6,617	6,558	6,538	5,285	4,144
Average shares outstanding, diluted	6,787	6,719	6,607	5,334	4,172
RESULTS OF OPERATIONS:					
Interest income	\$ 29,506	\$ 28,649	\$ 27,298	\$ 21,783	\$ 23,002
Interest expense	3,047	3,396	3,567	3,734	5,428
Net interest income	26,459	25,253	23,731	18,049	17,574
Provision for loan losses	774	1,138	881	528	496
Net interest income after provision for loan losses	25,685	24,115	22,850	17,521	17,078
Non-interest income ⁽¹⁾	8,339	8,611	8,031	8,118	7,929
Securities gains ⁽¹⁾	601	355	182	73	26
Non-interest expenses	25,776	24,678	23,960	20,422	19,445
Income before taxes	8,849	8,403	7,103	5,290	5,588
Income tax expense	2,167	2,276	1,982	1,153	1,620
Net income	6,682	6,127	5,121	4,137	3,968
Amortization of warrants	—	—	—	—	72
Preferred stock dividends, including discount accretion and redemption costs	—	—	—	—	604
Net income available to common shareholders	6,682	6,127	5,121	4,137	3,292
PER SHARE DATA:					
Basic earnings per common share	\$ 1.01	\$ 0.93	\$ 0.78	\$ 0.78	\$ 0.79
Diluted earnings per common share	0.98	0.91	0.78	0.78	0.79
Book value at period end	12.24	11.81	11.18	9.93	10.37
Tangible book value at period end	11.31	10.84	10.25	9.83	10.23
Dividends per common share	0.32	0.28	0.24	0.22	0.16
ASSET QUALITY RATIOS:					
Non-performing assets to total assets ⁽³⁾	0.57%	0.85%	1.17%	1.39%	1.45%
Non-performing loans to period end loans	0.75%	0.99%	1.48%	1.56%	1.44%
Net charge-offs to average loans	0.03%	0.14%	0.22%	0.27%	0.17%
Allowance for loan losses to period-end total loans	0.94%	0.94%	0.93%	1.21%	1.39%
Allowance for loan losses to non-performing assets	99.35%	62.98%	43.37%	48.07%	52.77%
SELECTED RATIOS:					
<i>Return on average assets:</i>					
GAAP earnings	0.75%	0.73%	0.73%	0.66%	0.55%
<i>Return on average common equity:</i>					
GAAP earnings	8.08%	7.94%	8.13%	7.68%	7.40%
<i>Return on average tangible common equity:</i>					
GAAP earnings	8.76%	8.68%	8.88%	7.78%	7.55%
Efficiency Ratio ⁽¹⁾	72.27%	71.25%	74.14%	76.69%	74.89%
Noninterest income to operating revenue ⁽²⁾	25.26%	26.20%	25.71%	31.22%	31.16%
Net interest margin (tax equivalent)	3.35%	3.38%	3.40%	3.18%	3.22%
Equity to assets	8.95%	9.16%	9.17%	8.32%	8.99%
Tangible common shareholders' equity to tangible assets	8.33%	8.47%	8.48%	8.23%	8.88%
Tier 1 risk-based capital	14.46%	15.40%	16.12%	17.60%	17.33%
Total risk-based capital	15.28%	16.21%	16.94%	18.68%	18.58%
Leverage	10.23%	10.19%	10.02%	10.77%	10.63%
Average loans to average deposits ⁽⁴⁾	69.62%	68.75%	69.14%	69.17%	70.33%

⁽¹⁾ The efficiency ratio is a key performance indicator in our industry. The ratio is computed by dividing non-interest expense by the sum of net interest income on a tax equivalent basis and non-interest income, net of any securities gains or losses. Non-interest income for the calculation of efficiency ratio excludes OTTI on securities of \$200 thousand in 2012. The efficiency ratio is a measure of the relationship between operating expenses and earnings.

⁽²⁾ Operating revenue is defined as net interest income plus noninterest income.

⁽³⁾ Includes non accrual loans, loans > 90 days delinquent and still accruing interest and OREO

⁽⁴⁾ Includes loans held for sale.

RECONCILIATIONS

The table below provides a reconciliation of non-GAAP measures to GAAP for the five years ended December 31:

	2016	2015	2014	2013	2012
Tangible book value per common share					
Tangible common equity per common share (non GAAP)	\$ 11.31	\$ 10.84	\$ 10.25	\$ 9.83	\$ 10.23
Effect to adjust for intangible assets	0.93	0.97	0.93	0.10	0.14
Book value per common share (GAAP)	\$ 12.24	\$ 11.81	\$ 11.18	\$ 9.93	\$ 10.37
Return on average tangible common equity					
Return on average tangible common equity (non GAAP)	8.76%	8.68%	8.88%	7.78%	7.55%
Effect to adjust for intangible assets	(0.68)%	(0.74)%	(0.75)%	(0.10)%	(0.15)%
Return on average common equity (GAAP)	8.08%	7.94%	8.13%	7.68%	7.40%
Tangible common shareholders' equity to tangible assets					
Tangible common equity to tangible assets (non GAAP)	8.33%	8.47%	8.48%	8.23%	8.88%
Effect to adjust for intangible assets	0.32%	0.69%	0.69%	0.09%	0.11%
Common equity to assets (GAAP)	8.65%	9.16%	9.17%	8.32%	8.99%

Certain financial information presented above is determined by methods other than in accordance with GAAP. These non-GAAP financial measures include "efficiency ratio," "tangible book value at period end," "return on average tangible common equity" and "tangible common shareholders' equity to tangible assets." The "efficiency ratio" is defined as non-interest expense, divided by the sum of net interest income on a tax equivalent basis and non-interest income, net of any securities gains or losses and OTTI on securities. Non-interest income for the calculation of efficiency ratio excludes OTTI on securities of \$200 thousand in 2012. The efficiency ratio is a measure of the relationship between operating expenses and earnings. "Tangible book value at period end" is defined as total equity reduced by recorded intangible assets divided by total common shares outstanding. "Tangible common shareholders' equity to tangible assets" is defined as total common equity reduced by recorded intangible assets divided by total assets reduced by recorded intangible assets. Our management believes that these non-GAAP measures are useful because they enhance the ability of investors and management to evaluate and compare our operating results from period-to-period in a meaningful manner. Non-GAAP measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the Company's results as reported under GAAP.

CONSOLIDATED BALANCE SHEETS

(dollars in thousands except par values)	DECEMBER 31,	
	2016	2015
ASSETS:		
Cash and due from banks	\$ 11,925	\$ 10,973
Interest-bearing bank balances	9,475	11,375
Federal funds sold and securities purchased under agreements to resell	599	593
Investments held-to-maturity	17,193	17,371
Investment securities available-for-sale	253,394	264,687
Other investments, at cost	1,809	1,783
Loans held for sale	5,707	2,962
Loans	546,709	489,191
Less, allowance for loan losses	5,214	4,596
Net loans	541,495	484,595
Property, furniture and equipment - net	29,833	29,929
Land held for sale	1,055	1,080
Bank owned life insurance	20,905	20,301
Other real estate owned	1,146	2,458
Intangible assets	1,102	1,419
Goodwill	5,078	5,078
Other assets	14,077	8,130
Total assets	\$ 914,793	\$ 862,734
LIABILITIES:		
Deposits:		
Non-interest bearing demand	\$ 182,915	\$ 156,247
Interest bearing	583,707	559,904
Total deposits	766,622	716,151
Securities sold under agreements to repurchase	19,527	21,033
Federal Home Loan Bank Advances	24,035	24,788
Junior subordinated debt	14,964	14,964
Other liabilities	7,784	6,760
Total liabilities	\$ 832,932	\$ 783,696
SHAREHOLDERS' EQUITY:		
Preferred stock, par value \$1.00 per share; 10,000,000 shares authorized; none issued and outstanding	—	—
Common stock, par value \$1.00 per share; 10,000,000 shares authorized; issued and outstanding 6,708,393 at December 31, 2016 and 6,690,551 at December 31, 2015	6,708	6,690
Common stock warrants issued	46	46
Nonvested restricted stock	(220)	(297)
Additional paid in capital	75,991	75,761
Retained earnings (deficit)	573	(3,992)
Accumulated other comprehensive income (loss)	(1,237)	830
Total shareholders' equity	81,861	79,038
Total liabilities and shareholders' equity	\$ 914,793	\$ 862,734

CONSOLIDATED STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
(dollars in thousands except per share amounts)			
INTEREST INCOME:			
Loans, including fees	\$ 23,677	\$ 23,219	\$ 21,915
Investment securities - taxable	3,819	3,630	3,986
Investment securities - non taxable	1,905	1,681	1,291
Other short term investments	105	119	106
Total interest income	29,506	28,649	27,298
INTEREST EXPENSE:			
Deposits	1,818	1,750	1,710
Securities sold under agreement to repurchase	42	37	37
Other borrowed money	1,187	1,609	1,821
Total interest expense	3,047	3,396	3,568
Net interest income	26,459	25,253	23,730
Provision for loan losses	774	1,138	880
Net interest income after provision for loan losses	25,685	24,115	22,850
NON-INTEREST INCOME:			
Deposit service charges	1,405	1,469	1,517
Mortgage banking income	3,382	3,432	3,186
Investment advisory fees and non-deposit commissions	1,135	1,287	1,268
Gain on sale of securities	601	355	182
Gain (loss) on sale of other assets	(33)	8	(11)
Loss on early extinguishment of debt	(459)	(199)	(351)
Other	2,909	2,614	2,422
Total non-interest income	8,940	8,966	8,213
NON-INTEREST EXPENSE:			
Salaries and employee benefits	15,323	14,428	13,743
Occupancy	2,167	2,076	1,882
Equipment	1,728	1,649	1,505
Marketing and public relations	865	848	738
FDIC Insurance assessments	412	527	521
Other real estate expense	201	524	553
Amortization of intangibles	318	387	280
Merger expenses	—	—	503
Other	4,762	4,239	4,235
Total non-interest expense	25,776	24,678	23,960
Net income before tax	8,849	8,403	7,103
Income tax expense	2,167	2,276	1,982
Net income	\$ 6,682	\$ 6,127	\$ 5,121
Basic earnings per common share	\$ 1.01	\$ 0.93	\$ 0.78
Diluted earnings per common share	\$ 0.98	\$ 0.91	\$ 0.78

SHAREHOLDER INFORMATION

ANNUAL MEETING

The annual meeting of shareholders will be held at 11:00 a.m., Wednesday, May 17, 2017:

The Old Cigar Warehouse

912 South Main Street
Greenville, SC 29601

TRANSFER AGENT

Computershare

211 Quality Circle, Suite 210
College Station, TX 77845
877.368.5948

10K/FINANCIAL INFORMATION

Copies of First Community Corporation's Annual Report of Form 10-K filed with the Securities and Exchange Commission and other information may be obtained from:

Joseph G. Sawyer

First Community Corporation
Post Office Box 64
Lexington, SC 29071

**INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

Elliott Davis Decosimo, LLC

1901 Main Street
Suite 900
Columbia, SC 29201

STOCK INFORMATION

First Community Corporation's common stock is traded on the NASDAQ Capital Market under the trading symbol "FCCO." The following is a summary of stock prices for the company. These prices have been adjusted for all stock splits and stock dividends.

	2016				2015		
	HIGH	LOW	DIVIDENDS PAID		HIGH	LOW	DIVIDENDS PAID
1Q	\$ 14.98	\$ 12.66	\$ 0.08	1Q	\$ 11.91	\$ 10.78	\$ 0.07
2Q	\$ 14.94	\$ 13.56	\$ 0.08	2Q	\$ 12.88	\$ 11.45	\$ 0.07
3Q	\$ 15.75	\$ 13.74	\$ 0.08	3Q	\$ 12.74	\$ 11.58	\$ 0.07
4Q	\$ 18.95	\$ 14.80	\$ 0.08	4Q	\$ 14.92	\$ 12.07	\$ 0.07

All outstanding shares of our common stock are entitled to share equally in dividends from funds legally available when, and if, declared by the board of directors. The future dividend policy of the company is subject to the discretion of the board of directors and will depend upon a number of factors, including future earnings, financial condition, cash requirements and general business conditions. In addition, our ability to pay cash dividends may be dependent upon receiving cash in the form of dividends from First Community Bank. Statutory and regulatory limitations apply to the Bank's payment of dividends to the Company. As a South Carolina chartered bank, the Bank is subject to limitations on the amount of dividends that it is permitted to pay. Unless otherwise instructed by the S.C. Board of Financial Institutions, the Bank is generally permitted under South Carolina state banking regulations to pay cash dividends of up to 100% of net income in any calendar year without obtaining the prior approval of the S.C. Board. The FDIC also has the authority under federal law to enjoin a bank from engaging in what in its opinion constitutes an unsafe or unsound practice in conducting its business, including the payment of a dividend under certain circumstances.

BOARD OF DIRECTORS

Richard K. Bogan, MD, FCCP, FAASM
Chief Medical Officer
SleepMed, Inc.
President
Bogan Consulting
Bogan Sleep Consultants, LLC

Thomas C. Brown
Rector
St. Paul's Church

C. Jimmy Chao
President
Chao and Associates, Inc.

Michael C. Crapps
President and Chief Executive Officer
First Community Corporation
First Community Bank

Anita B. Easter
Principal
Greenleaf Enterprises

O.A. Ethridge, DMD
Pediatric Dentist, Retired

George H. Fann, Jr., DMD
General Dentistry, Retired

J. Thomas Johnson
Vice Chairman of the Board
First Community Corporation
First Community Bank

W. James Kitchens, Jr.
President
The Kitchens Firm, Inc.

J. Randolph Potter
Bank Consultant

E. Leland Reynolds
Co-Owner and Vice President
H.G. Reynolds Co., Inc.

Paul S. Simon
President
Augusta Riverfront, LLC

Alex Snipe, Jr.
President
Glory Communications

Roderick M. "Rick" Todd, Jr.
Secretary of the Board
First Community Corporation
First Community Bank
Attorney and Counselor at Law

Mitchell M. Willoughby
Chairman of the Board
First Community Corporation
First Community Bank
Partner
Willoughby and Hoefer, P.A.

Chairman Emeritus
James C. Leventis*

Directors Emeritus
William L. Boyd, III*
Robert G. Clawson*
Hinton G. Davis
Broadus Thompson*
Angelo L. Tsiantis*
Loretta R. Whitehead

*deceased

Our deepest thanks to retiring board members **Sonny Ethridge** and **Paul Simon**. Their years of service, wisdom and counsel have proved invaluable to our organization.

EXECUTIVE OFFICERS

FIRST COMMUNITY CORPORATION

Michael C. Crapps
President and Chief Executive Officer

David K. Proctor
Executive Vice President and Chief Credit Officer

Joseph G. Sawyer
Executive Vice President and Chief Financial Officer

FIRST COMMUNITY BANK

Michael C. Crapps
President and Chief Executive Officer

David K. Proctor
Executive Vice President and Chief Credit Officer

Joseph G. Sawyer
Executive Vice President and Chief Financial Officer

Robin D. Brown

Executive Vice President and Chief Human Resources and Marketing Officer

J. Ted Nissen

Executive Vice President and Chief Commercial and Retail Banking Officer

Tanya A. Butts

Executive Vice President and Chief Operations and Risk Officer

VISION STATEMENT

As the provider of choice of financial solutions to local businesses and professionals in the markets we serve, we optimize the long-term return to our shareholders, while providing a safe and sound investment.

CULTURAL BELIEFS

Honesty and Integrity

Everyone Matters

Spirit of Service

Value Strong Work Ethic

Excellence Matters

Forward Looking Statements:

Certain statements in this Annual Report are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words such as “anticipate,” “believe,” “forecast,” “estimated” and “intend,” among others. These forward-looking statements are based on our current expectations and actual results could differ materially from the results anticipated by our forward-looking statements. There are a number of factors that could cause actual results to differ materially from those indicated by such forward-looking statements. These factors include, without limitation, (1) competitive pressures among depository and other financial institutions may increase and have an effect on pricing, spending, third-party relationships and revenues; (2) the strength of the United States economy in general and the strength of the local economies in which we conduct operations may be different than expected resulting in, among other things, a deterioration in the credit quality or a reduced demand for credit, including the resultant effect on the company’s loan portfolio and allowance for loan losses; (3) the rate of delinquencies and amounts of charge-offs, the level of allowance for loan loss, the rates of loan growth, or adverse changes in asset quality in our loan portfolio, which may result in increased credit risk-related losses and expenses; (4) changes in the U.S. legal and regulatory framework; (5) adverse conditions in the stock market, the public debt markets and other capital markets (including changes in interest rate conditions) could have a negative impact on the Company; (6) technology and cybersecurity risks, including potential business disruptions, reputational risks, and financial losses, associated with potential attacks on or failures by our computer systems and computer systems of our vendors and other third parties; and (7) negative developments in connection with the risks detailed in our filings with the SEC. Investors should read the risk factors set forth in our most recent Form 10-K and other periodic reports filed with the Securities and Exchange Commission. All of the Company’s forward-looking statements are expressly qualified by our risk factors and other cautionary statements. The information set forth herein speaks only as of the date hereof. We do not undertake any obligation to update or revise any forward-looking statement.



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