

The Bank
Behind Your
Business



November 2024

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Impacting Lives for Success
and Significance



OVERVIEW

Impacting Lives for Success
and Significance

OUR PURPOSE AND CAUSE

Everything we do has an impact.

Providing the best products and services possible is **what** we do; however, that's not **why** we do it. We know that everything we do has an impact, and we believe it's our responsibility to make sure it's a positive one.



Honesty and Integrity | Everyone Matters | Spirit of Service | Strong Work Ethic | Excellence with Humility

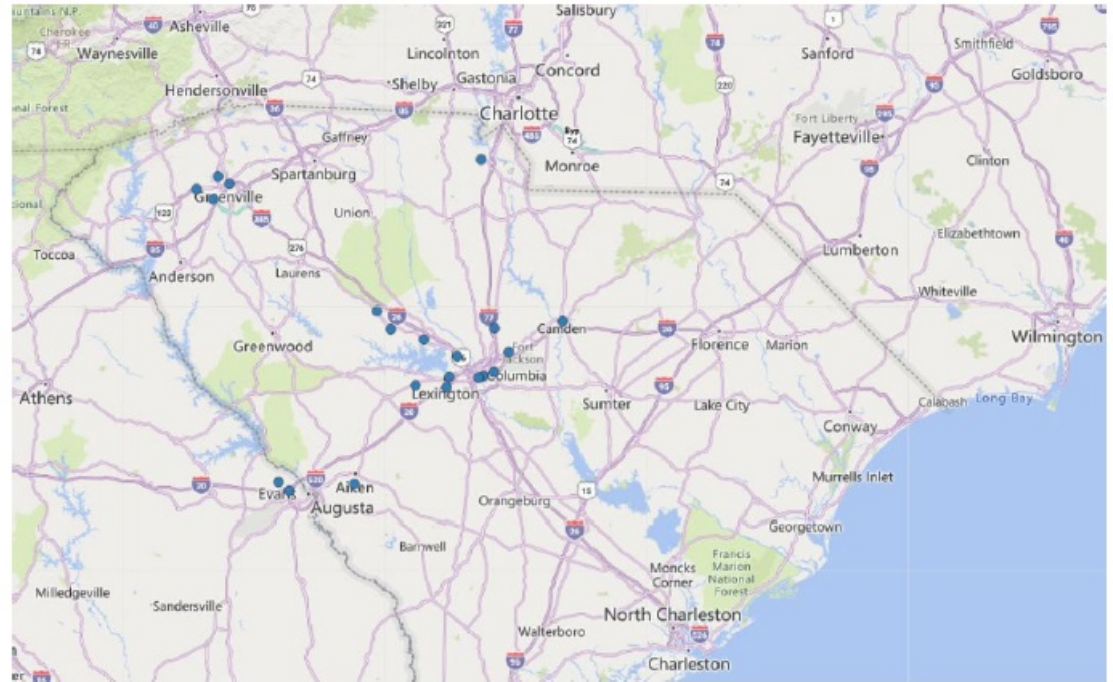
OUR IDENTITY



OVERVIEW

Highlights

- Began in 1995
- Focused on Organic Growth, Augmented with Opportunistic Acquisitions
 - 2004 – Newberry Federal
 - 2006 – Bank of Camden
 - 2008 – EAH Financial Planning Practice
 - 2011 – Palmetto South Mortgage Corp.
 - 2014 – Savannah River Financial Corp.
 - 2017 – Cornerstone National Bank
- Executive Leadership Team stability with leadership transition plan designed to be seamless
- September 30, 2024
 - \$1.9 billion total assets
 - Twenty-one (21) banking offices
 - Largest community bank in SC Midlands
 - Fourth largest bank in SC
- Dividends
 - 91 Consecutive Quarters
 - Current Yield – 2.53%¹

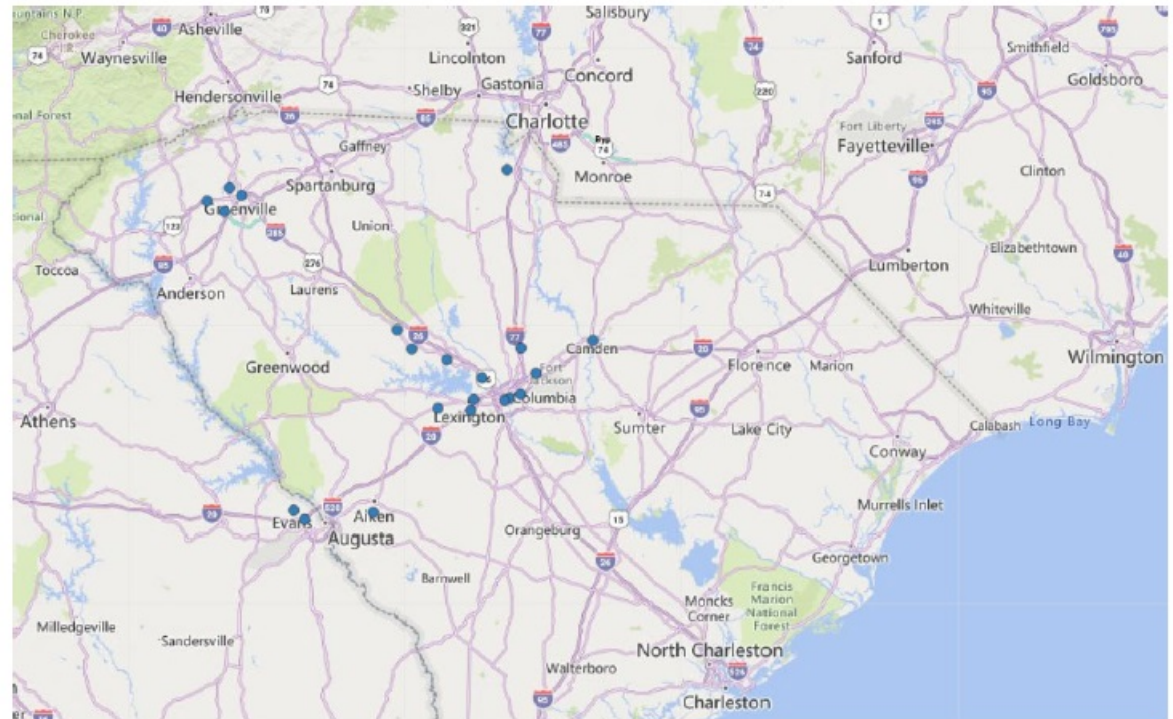


¹Based on 10/31/24 closing pricing of \$23.74.

OVERVIEW

Geographically Diverse and Growing Markets

- **Columbia (Midlands of SC)**
 - State Capitol
 - University of SC
 - Fort Jackson
 - Quality Public Schools
 - Lake Murray
 - Riverbanks Zoo
- **Greenville (Upstate of SC)**
 - Great Pure Business Market
 - Attractive to Millennials
- **Augusta (CSRA)**
 - Cybersecurity
 - ✓ Fort Gordon
 - ✓ Private Sector
 - Augusta University
 - Excellent Medical Community
 - The Masters Tournament
- **Rock Hill (Piedmont)**
 - Winthrop University
 - Lake Wylie
 - Included in the Charlotte MSA
 - Home of Sports & Event Center, as well as “Come-See-Me” & Christmasville Festivals



OVERVIEW

Three Lines of Business





3Q24 HIGHLIGHTS / TOPICS OF INTEREST

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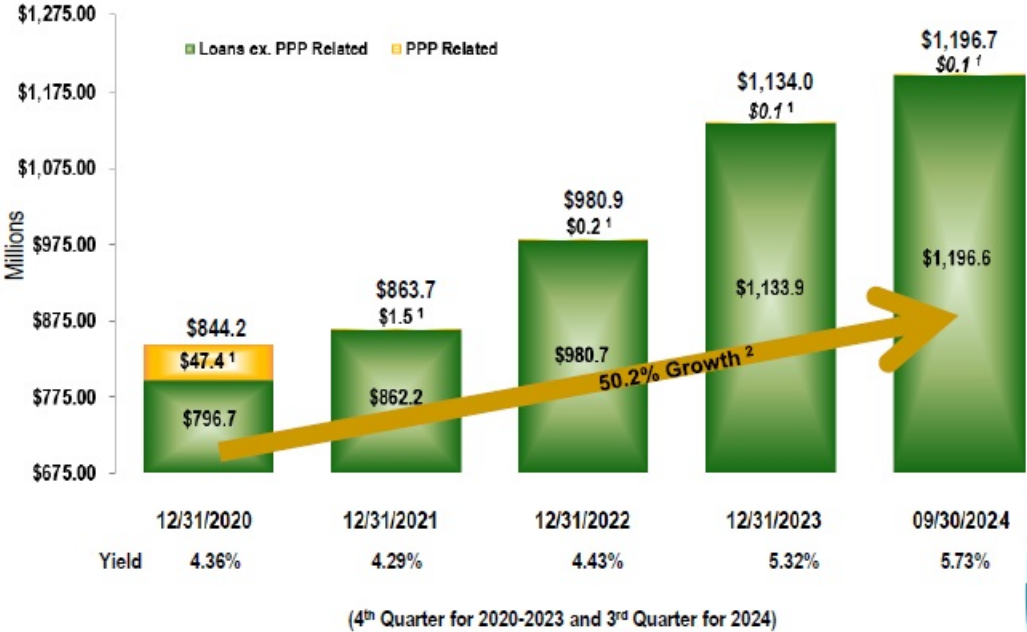


EARNING ASSETS

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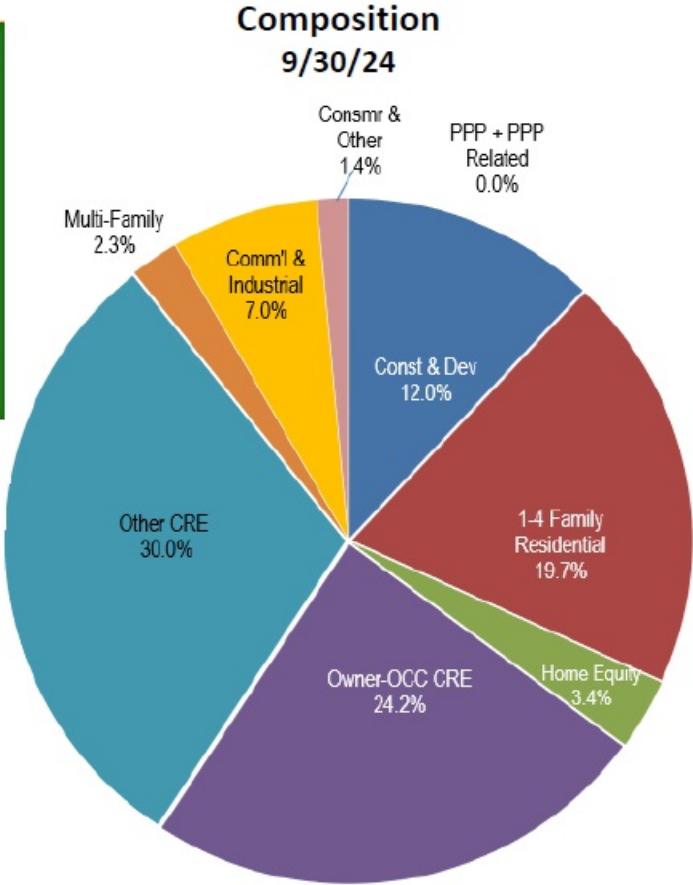
EARNING ASSETS

Loan Portfolio



LTM Growth = 9.6%²

CRE as a % of RBC = 304.3%



¹Includes PPP and related LOC to SBA partner.
²Excludes PPP and related LOC to SBA partner.

EARNING ASSETS

Loan Portfolio Growth

- 3Q24 \$7.5 million 2.5% annualized growth rate
- YTD 2024 \$62.6 million 7.4% annualized growth rate

Notes:

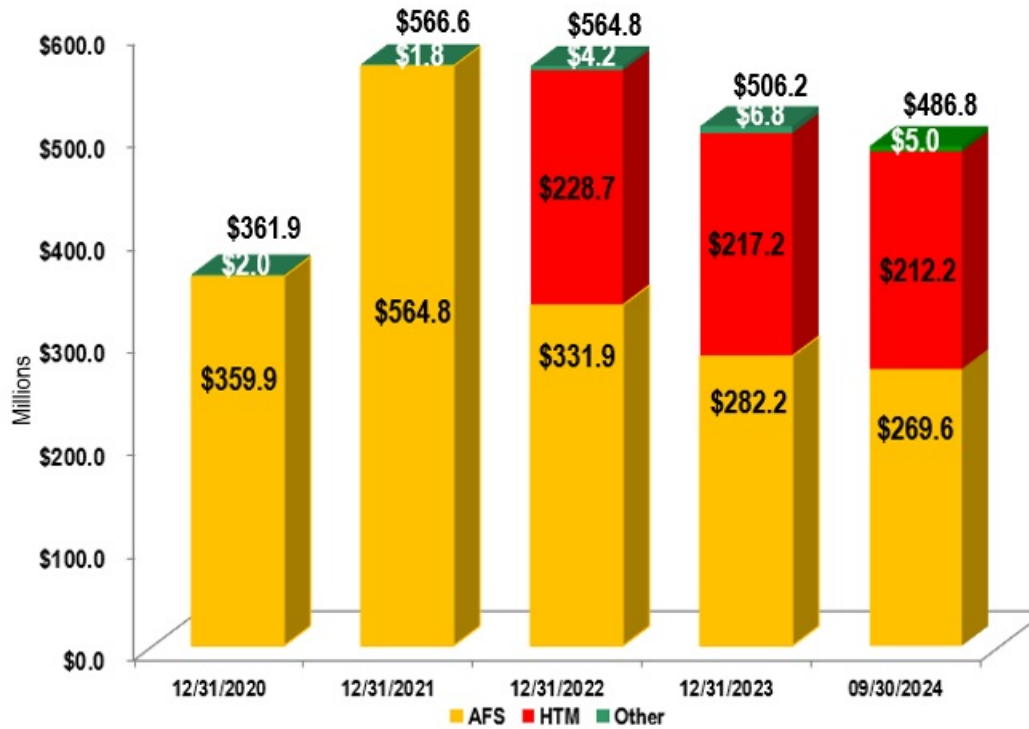
- Percent of Growth:

	<u>3Q24</u>	<u>YTD24</u>
▪ CRE	(57%)	30%
▪ C&I	20%	11%
▪ Residential Mortgage	128%	56%
▪ Other	9%	3%
- Interest Rate Sensitivity (9/30/24):
 - Principal cash flows, including prepayment estimates¹
 - 10/01/24 – 12/31/24 = \$88.6¹ million at a weighted average rate of 5.63%
 - 2025 = \$282.4¹ million at a weighted average rate of 5.39%

¹Excluding prepayments, 10/01/24 – 12/31/24 = \$49.6 million and 2025 = \$166.8 million.

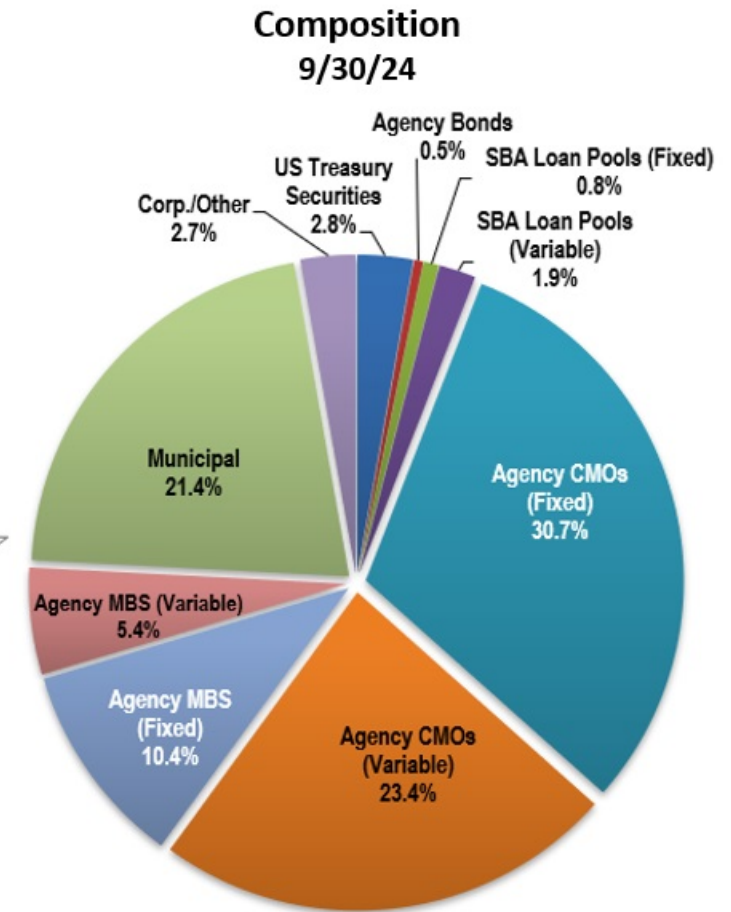
EARNING ASSETS

Investment Portfolio



Yield	1.98%	1.56%	2.78%	3.59%	3.53%
AOCI/(AOCL) ¹	\$11.3	\$3.3	(\$32.4)	(\$28.2)	(\$23.2)
	(4 th Quarter for 2020-2023, and 3 rd Quarter for 2024)				

Average Life: 5.3 years
Effective Duration: 3.4



¹AOCI is accumulated other comprehensive income and (AOCL) is accumulated other comprehensive loss.

EARNING ASSETS

Investment Portfolio

Notes:

Mix (3Q24):

- Floating
- Fixed

32%

68%

Principal Cash Flows:

- 10/01/24 – 12/31/24
- FY2025

\$10.6 million

\$56.6 million



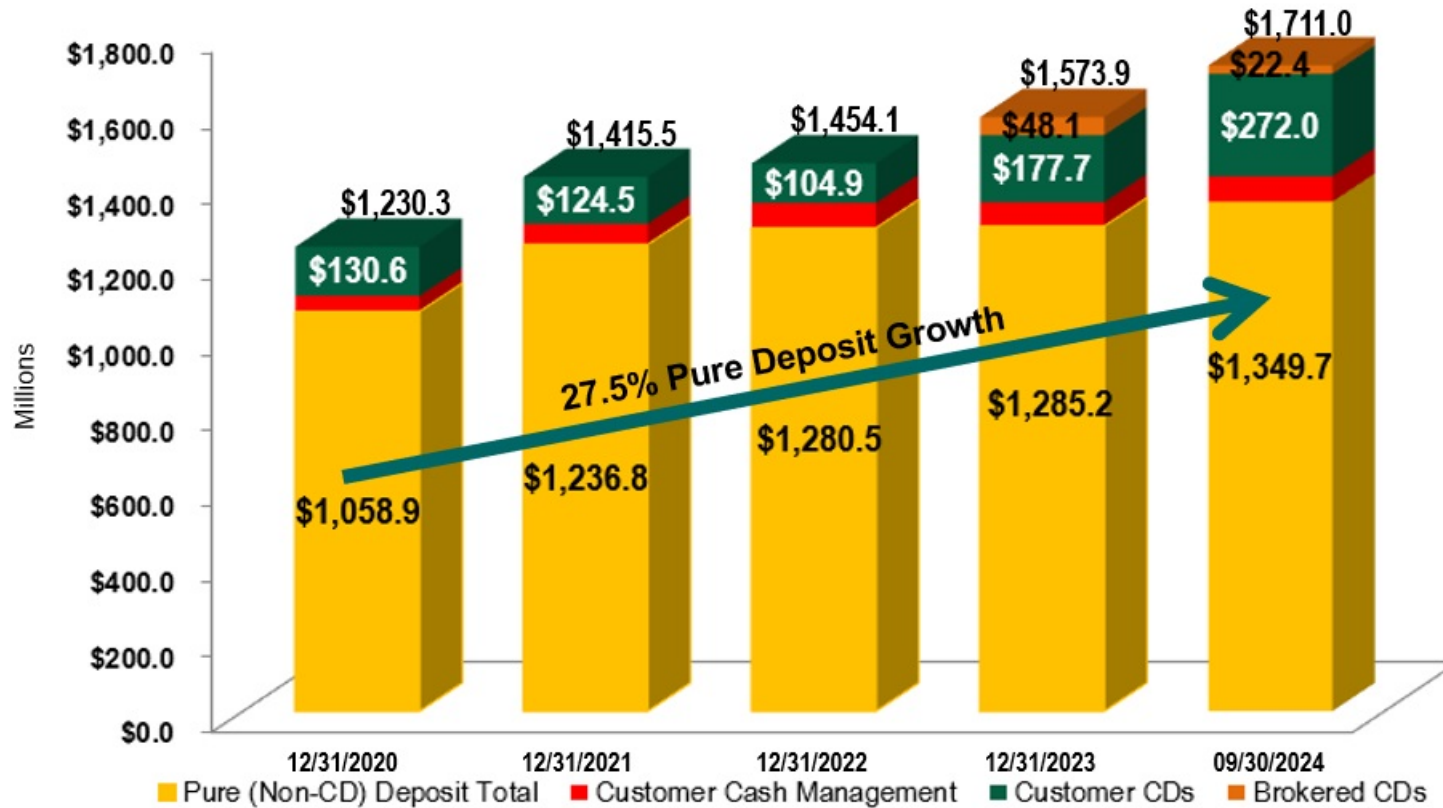


FUNDING

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FUNDING

High Quality Deposit Franchise



(4th Quarter for 2020-2023 & 3rd Quarter for 2024)

Total Deposit Cost	0.20%	0.11%	0.25%	1.69%	2.03%
Non-Interest Bearing	32%	33%	33%	29%	27%

FUNDING

High Quality Deposit Franchise

3Q24 Notes:


- 37.5% Cumulative Cycle Beta¹ – Cost of Deposits
- 40.2% Cumulative Cycle Beta¹ – Cost of Funds
- Uninsured deposits of \$492.5 million (30.0% of total), of which \$88.3 million (5.4% of total) are public funds that are secured or collateralized
- Average balance of customer deposits accounts - \$24,281
- Total remaining credit availability in excess of \$505.0 million²

¹ Trough to peak.

² Subject to collateral requirements.

FUNDING

Sources and Uses YTD 2024



	(Millions)
➤ Sources of funds	
Customer Deposits	\$ 158.8
Customer Cash Management	4.1
Investment Portfolio	19.4
Capital	12.3
Other	<u>7.1</u>
Total	\$ 201.7
➤ Uses of funds	
Loans (includes held held-for-sale)	\$ 62.1
Short-Term Investments & CDs	77.6
Brokered CDs	25.7
FHLB Borrowings / FFP	<u>36.3</u>
Total	\$ 201.7

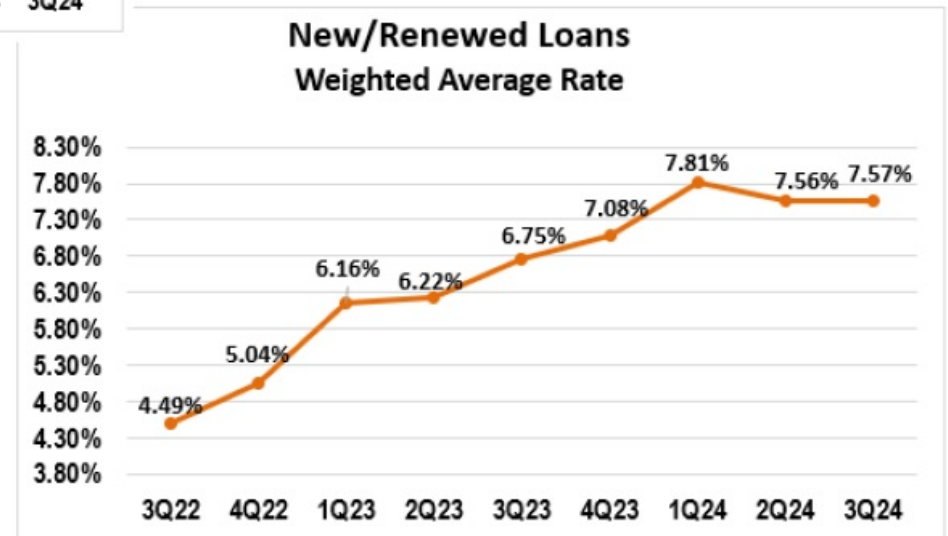
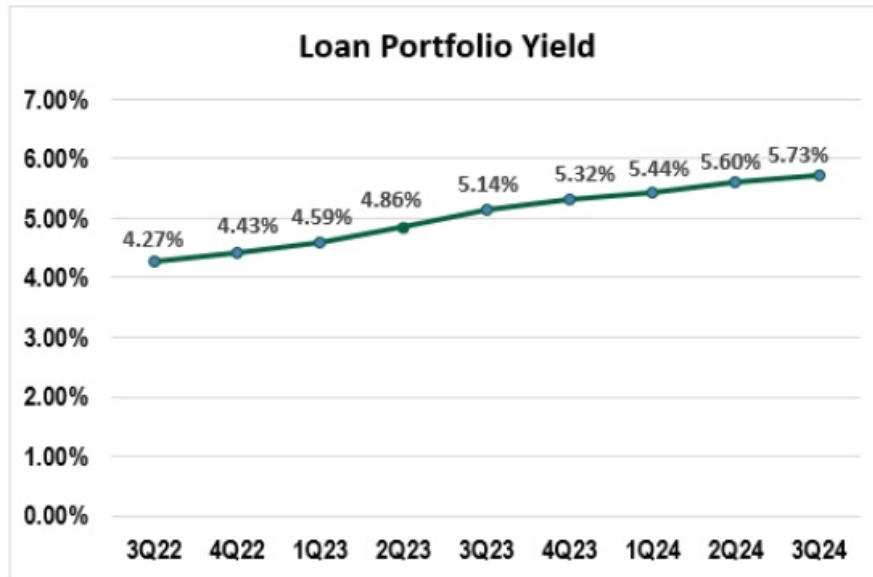
Summary: During 2024, we utilized customer deposit growth to fund loan growth, reduce wholesale funding and enhance our overnight liquidity.



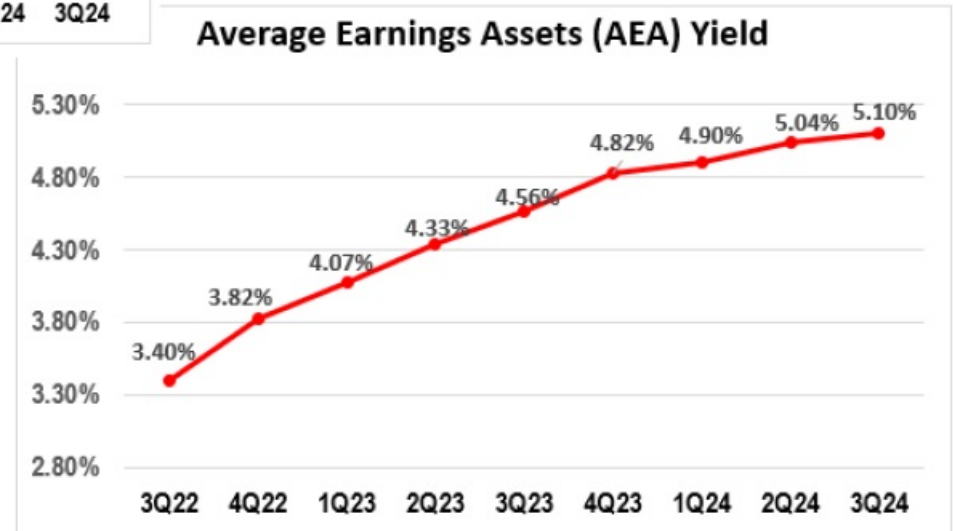
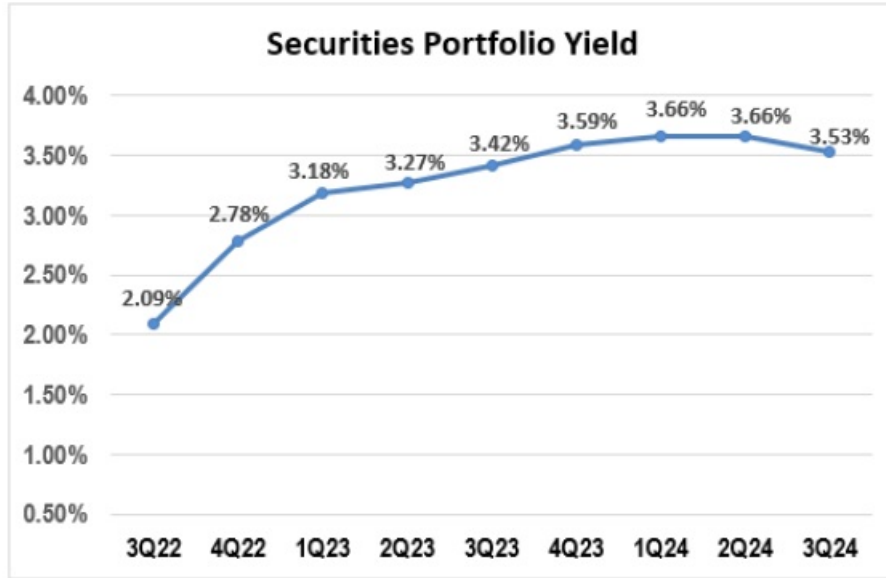
NET INTEREST MARGIN

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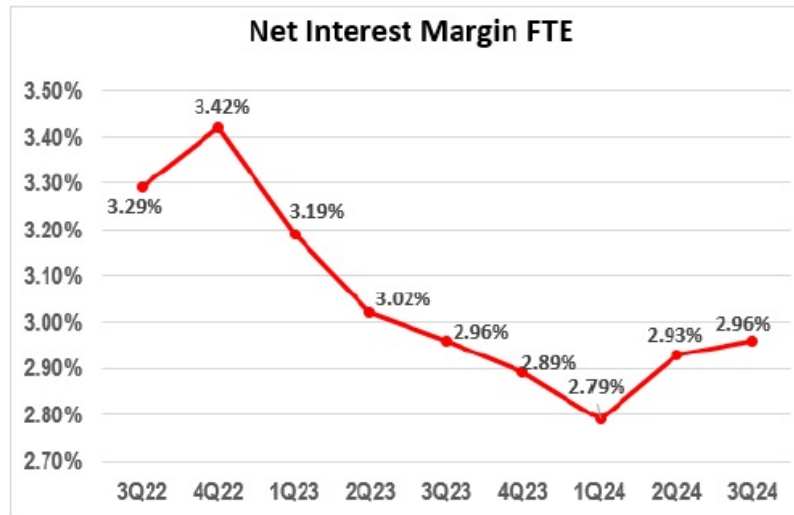
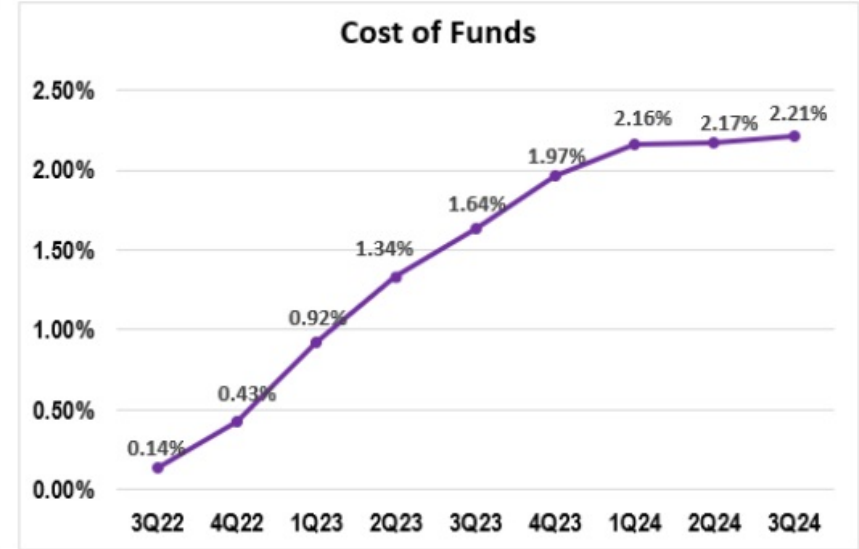
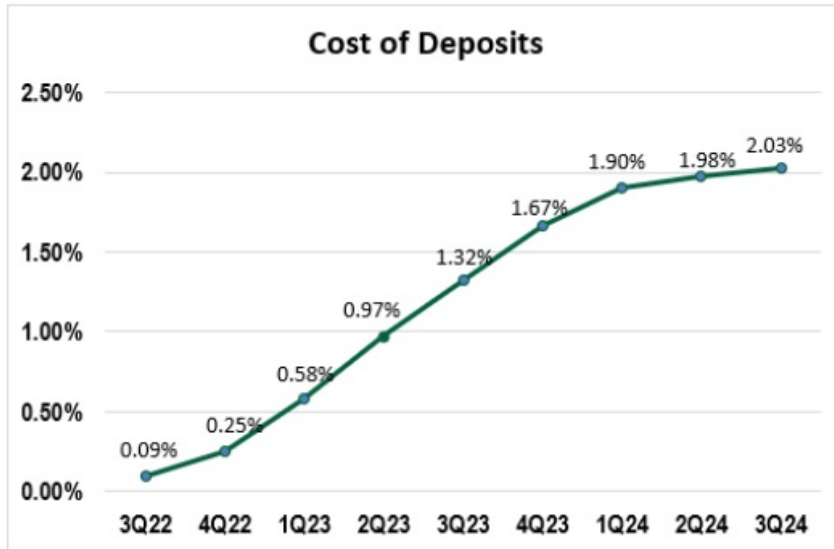
NET INTEREST MARGIN (NIM)



NET INTEREST MARGIN (NIM)



NET INTEREST MARGIN (NIM)



NET INTEREST MARGIN (NIM)

Notes:

- NIM Inflection began 2Q24
- \$12.0 Million Brokered CD
 - All-in cost of 5.15%
 - Called on October 31, 2024
- Effective May 5, 2023, entered into a pay-fixed /receive floating interest rate
 - Notional amount: \$150 million
 - Synthetically converts approximately 13% of the Loan Portfolio from fixed to floating
 - Pay a fixed rate of 3.58%
 - Receive a floating rate of overnight SOFR
 - Matures on May 5, 2026
 - 3Q24 Impact
 - Interest Income \$681 thousand
 - Loan Portfolio Yield 23 bps
 - Net Interest Margin 15 bps



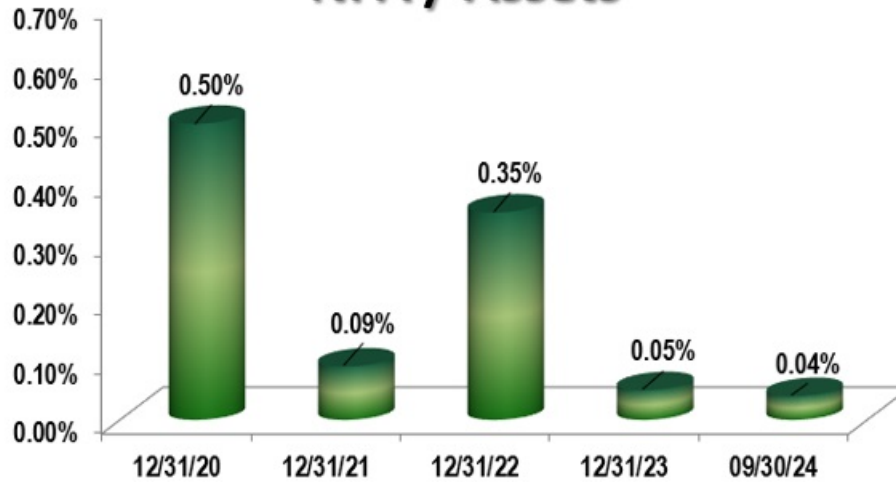
RISK MANAGEMENT

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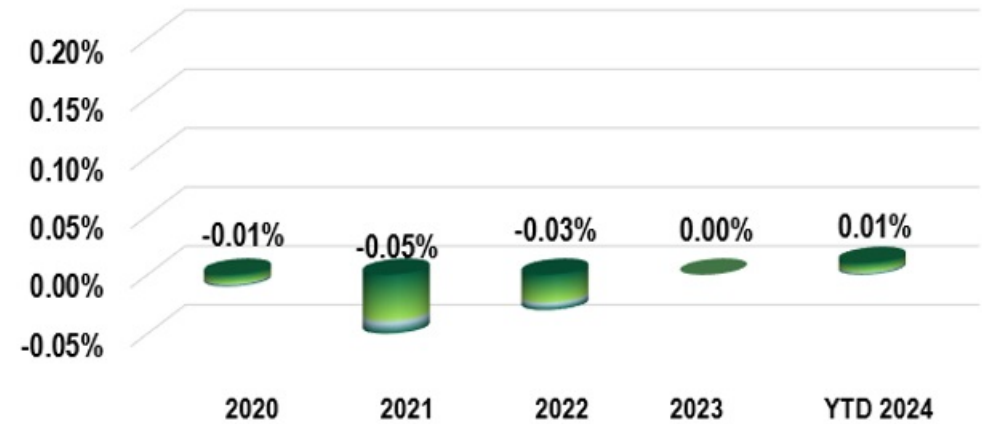
RISK MANAGEMENT

Credit Quality

NPA / Assets



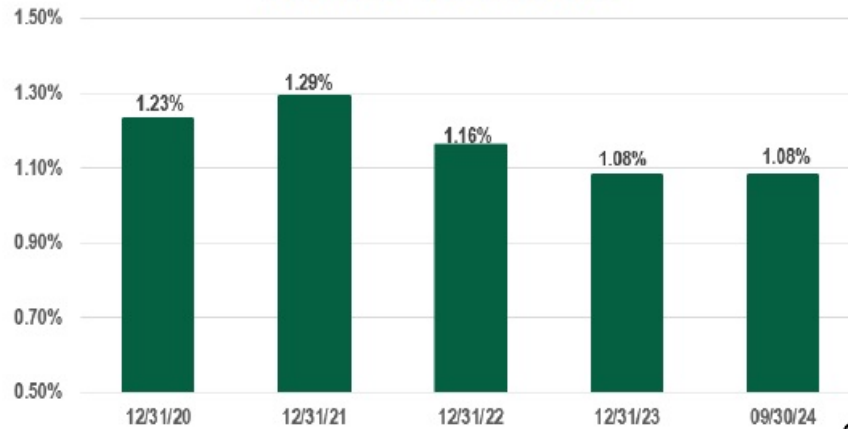
Net Charge-Offs (Recoveries)



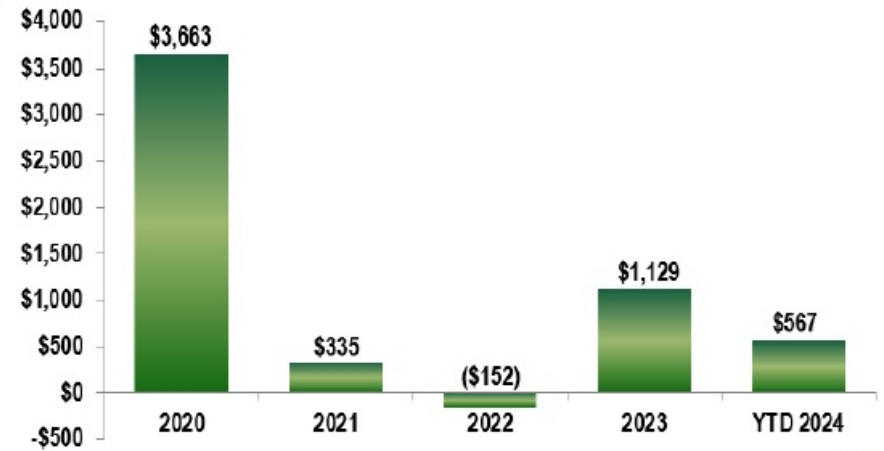
RISK MANAGEMENT

Credit Quality

Allowance for Credit Losses on Loans to Loans



Provision for (Release of) Credit Losses (000s omitted)



RISK MANAGEMENT

Credit Quality

3Q24 Notes:

➤ Key Loan Portfolio Sectors

Collateral	Outstanding	% of Loan Portfolio	Average Loan Size	Weighted Avg LTV of Top 10 Loans
Retail	\$98,701,793	8.2%	\$1,028,144	55%
Warehouse & Industrial	\$76,998,629	6.4%	\$793,800	60%
Office	\$66,965,552	5.6%	\$690,367	58%
Hotel	\$59,471,982	5.0%	\$3,498,352	57%

- There are only four loans secured by office buildings in excess of 50,000 square feet of rentable space. These four represent \$10.7 million in loans outstanding and have a 33% weighted average loan-to-value.

RISK MANAGEMENT



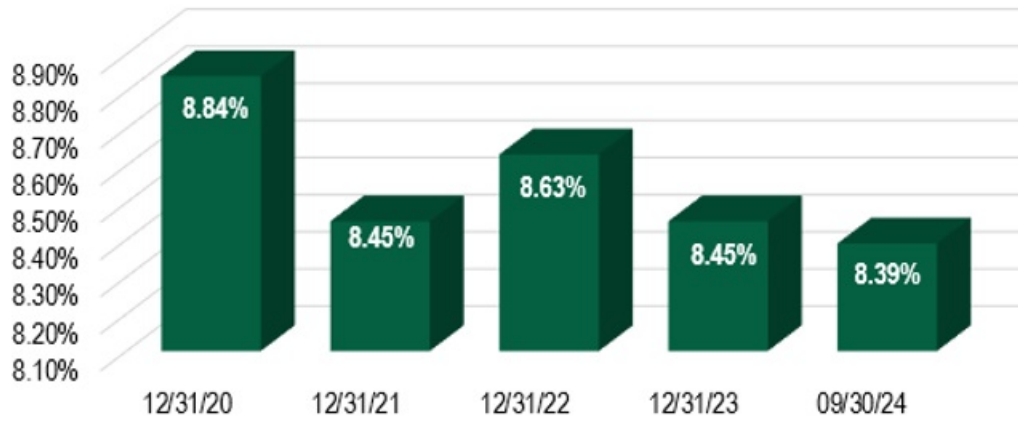


CAPITAL

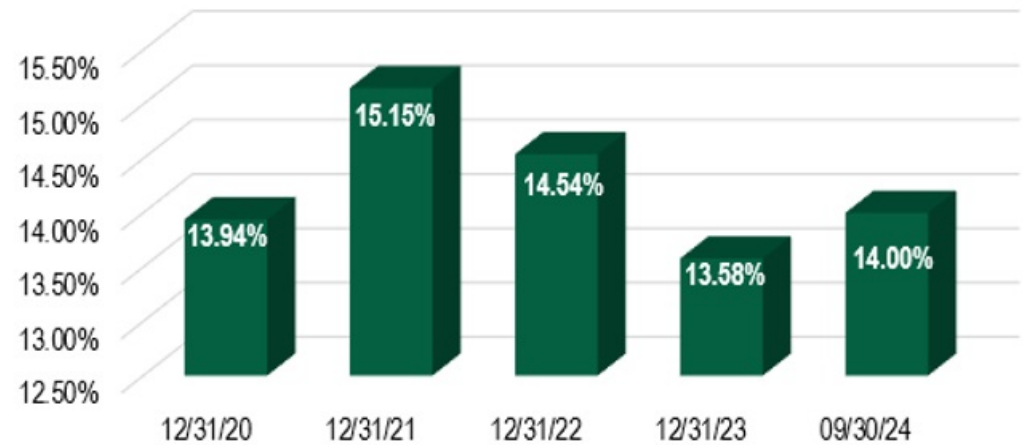
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CAPITAL

Leverage Ratio (Bank)



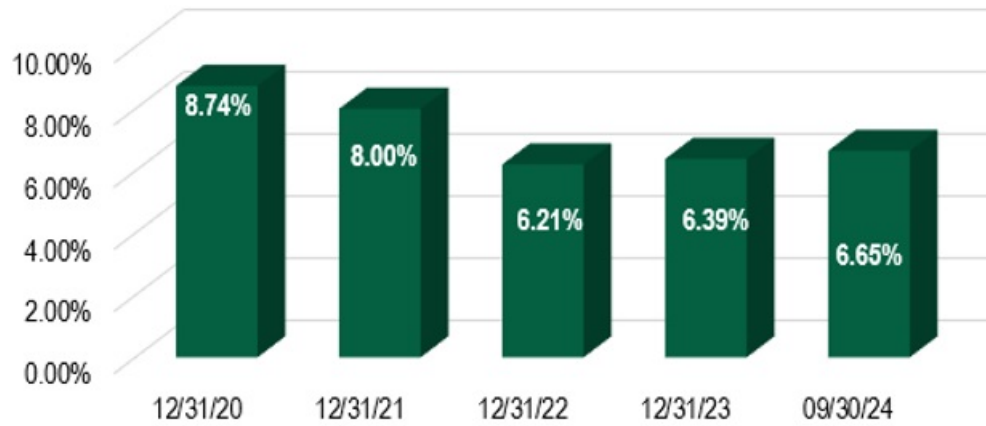
Total Capital Ratio (Bank)



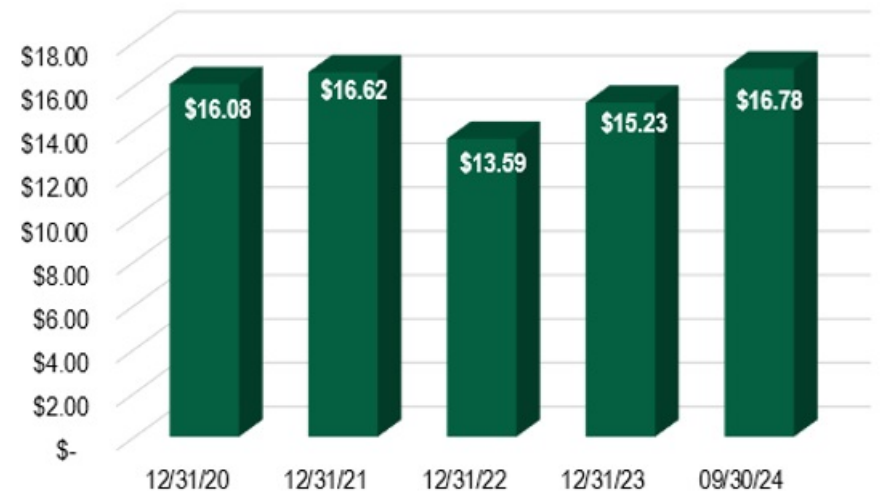
***On 5/14/24, announced a plan to utilize up to \$7.1 million of capital to repurchase shares of FCCO's common stock (5.3% of total shareholders' equity at the time of the announcement).**

CAPITAL

Tangible Common Equity

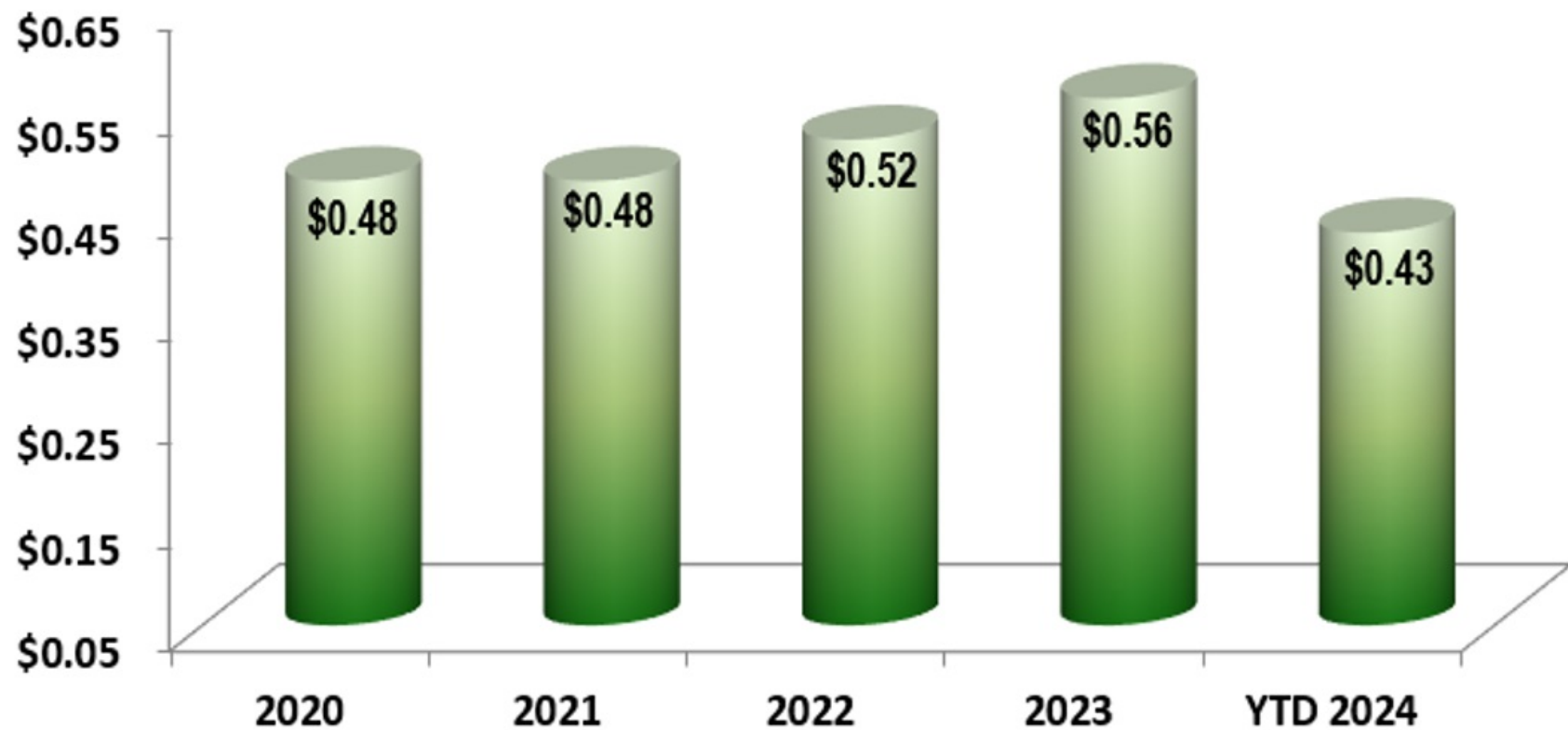


Tangible Book Value



CAPITAL

Dividend



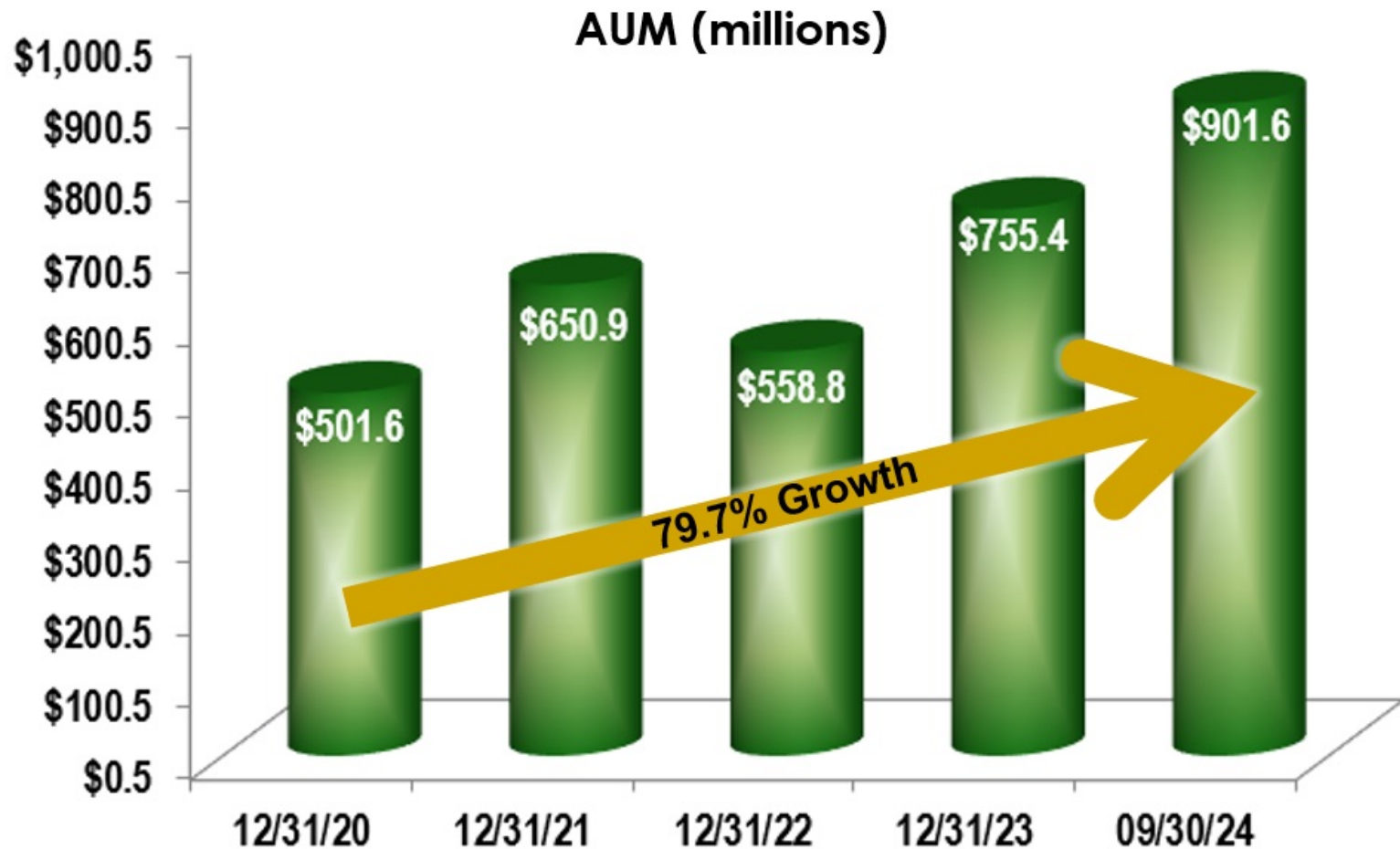


NON-INTEREST INCOME HIGHLIGHTS

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NON-INTEREST INCOME HIGHLIGHTS

Financial Planning / Investment Advisory Services



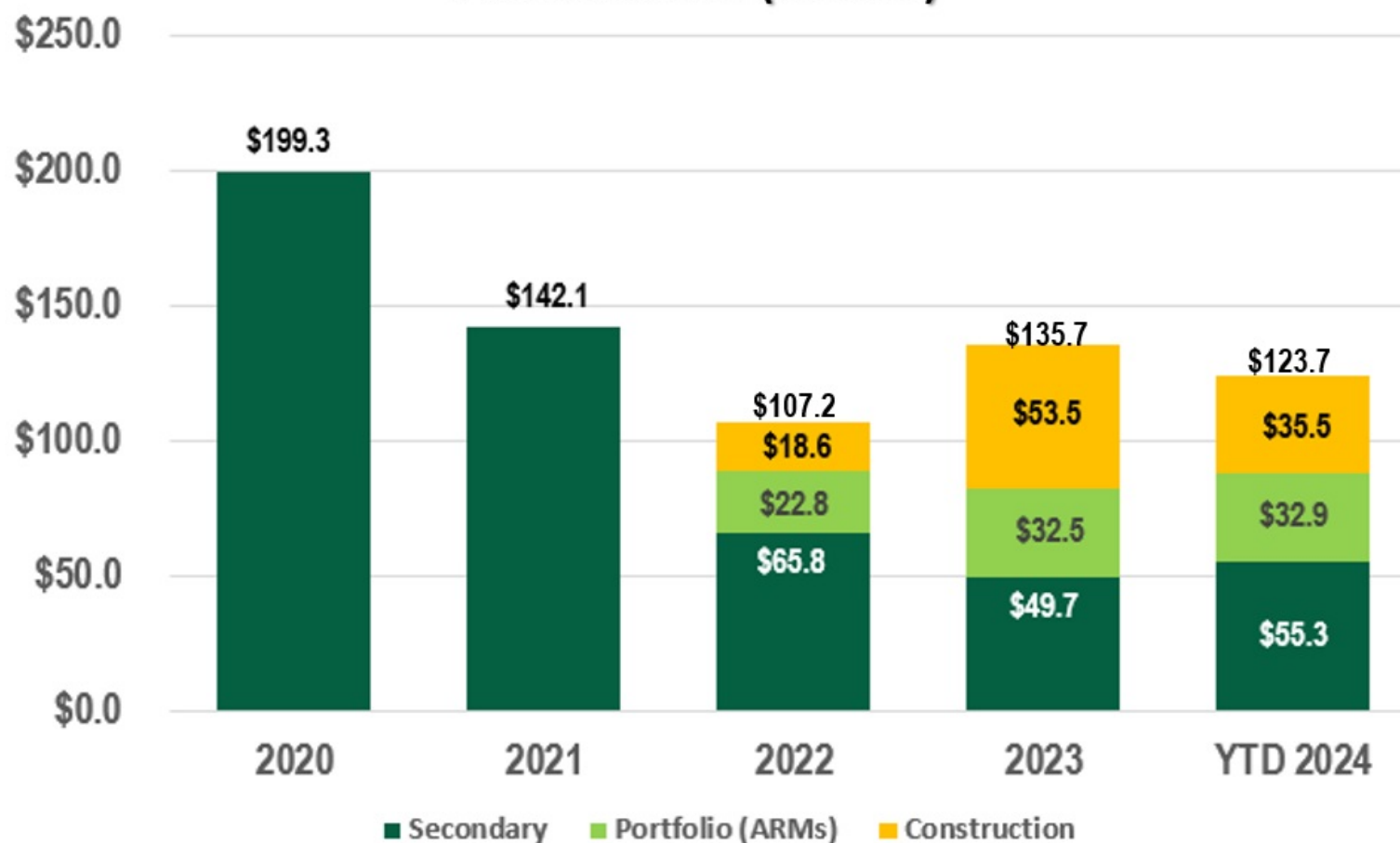
NON-INTEREST INCOME HIGHLIGHTS

Financial Planning / Investment Advisory Services



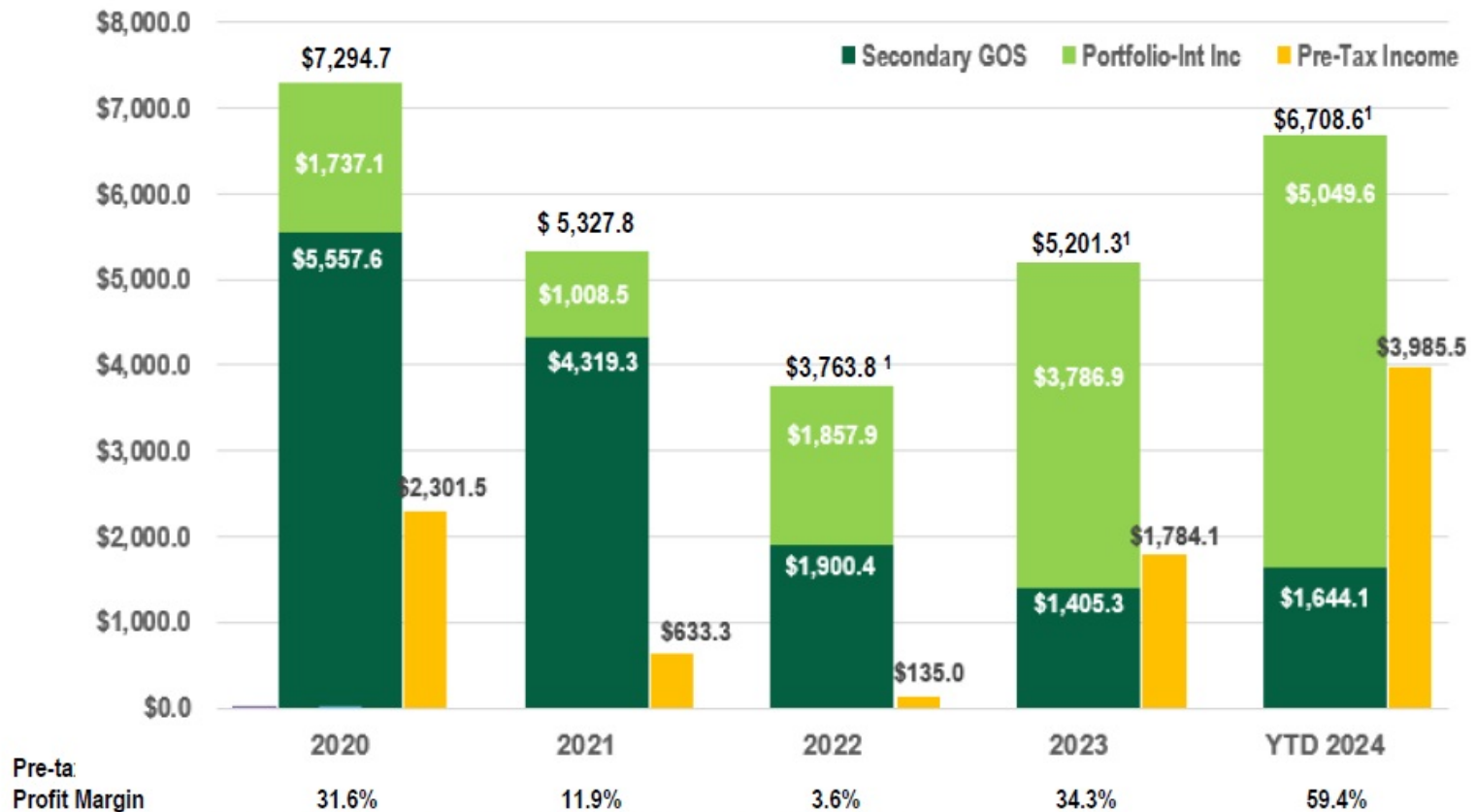
NON-INTEREST INCOME HIGHLIGHTS

Residential Mortgage Banking Production (millions)



NON-INTEREST INCOME HIGHLIGHTS

Residential Mortgage Banking Revenue and Pre-Tax Income (000's omitted)



Note: Pre-tax net income does not include fund transfer pricing or ACL allocations.

¹ Includes mortgage late charges and other mortgage revenue.

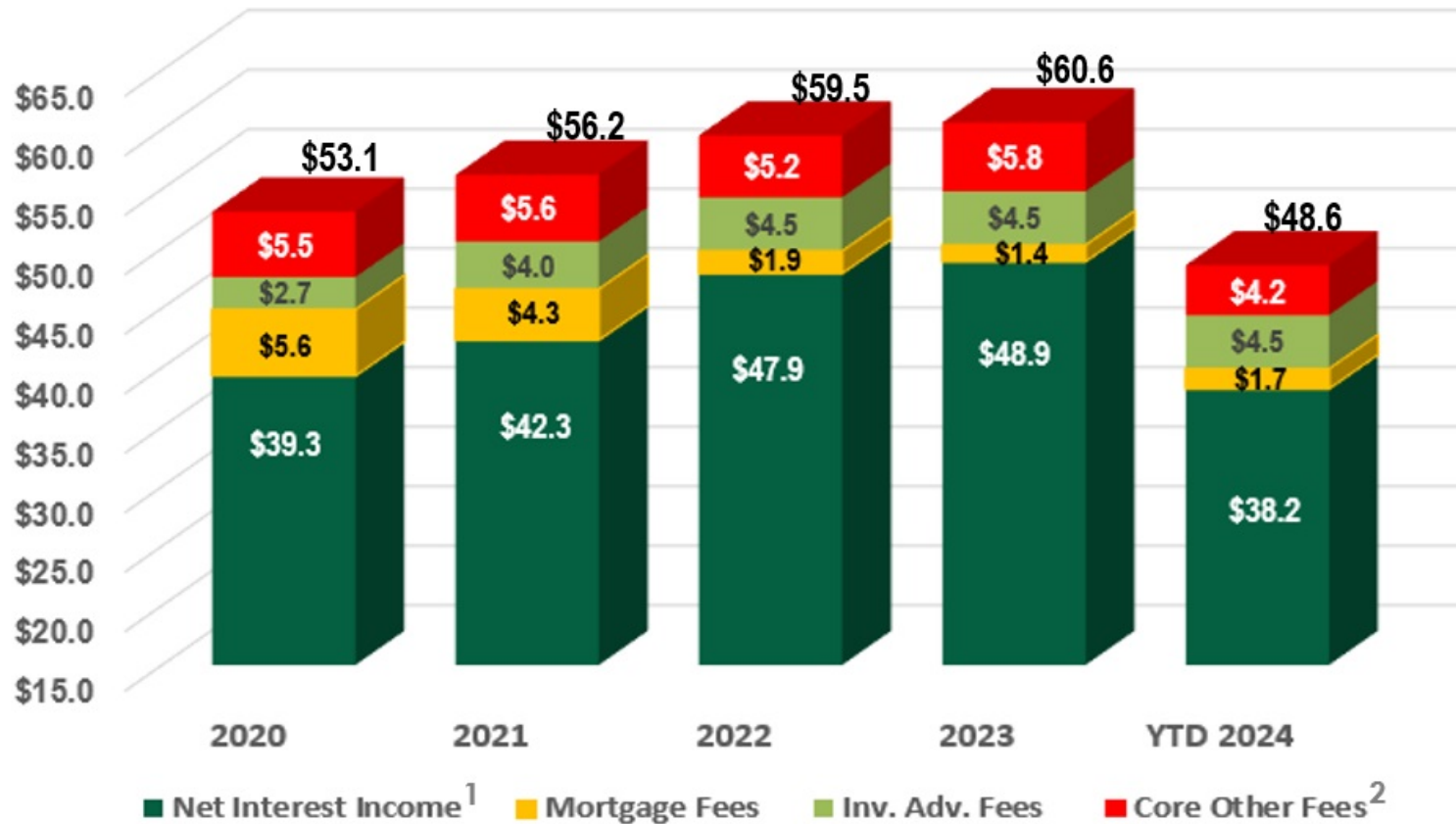


REVENUE

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REVENUE

Total Revenue ^{1, 2} Strength in Diversity of Revenue (Millions)

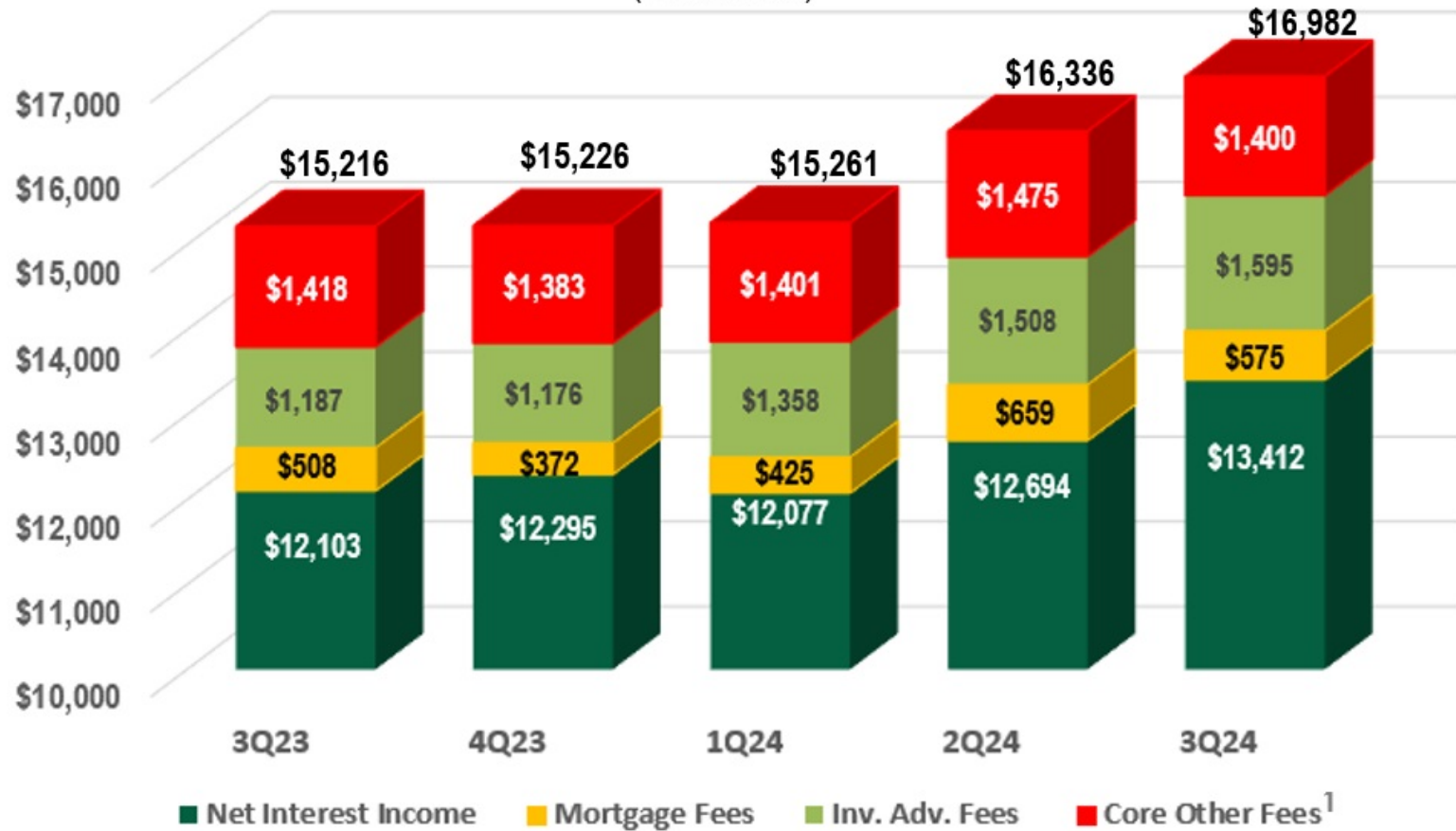


¹ Adjusted for PPP deferred fees.

² Adjusted for Securities Gains/Losses.

REVENUE

Total Revenue ¹ Strength in Diversity of Revenue (Thousands)



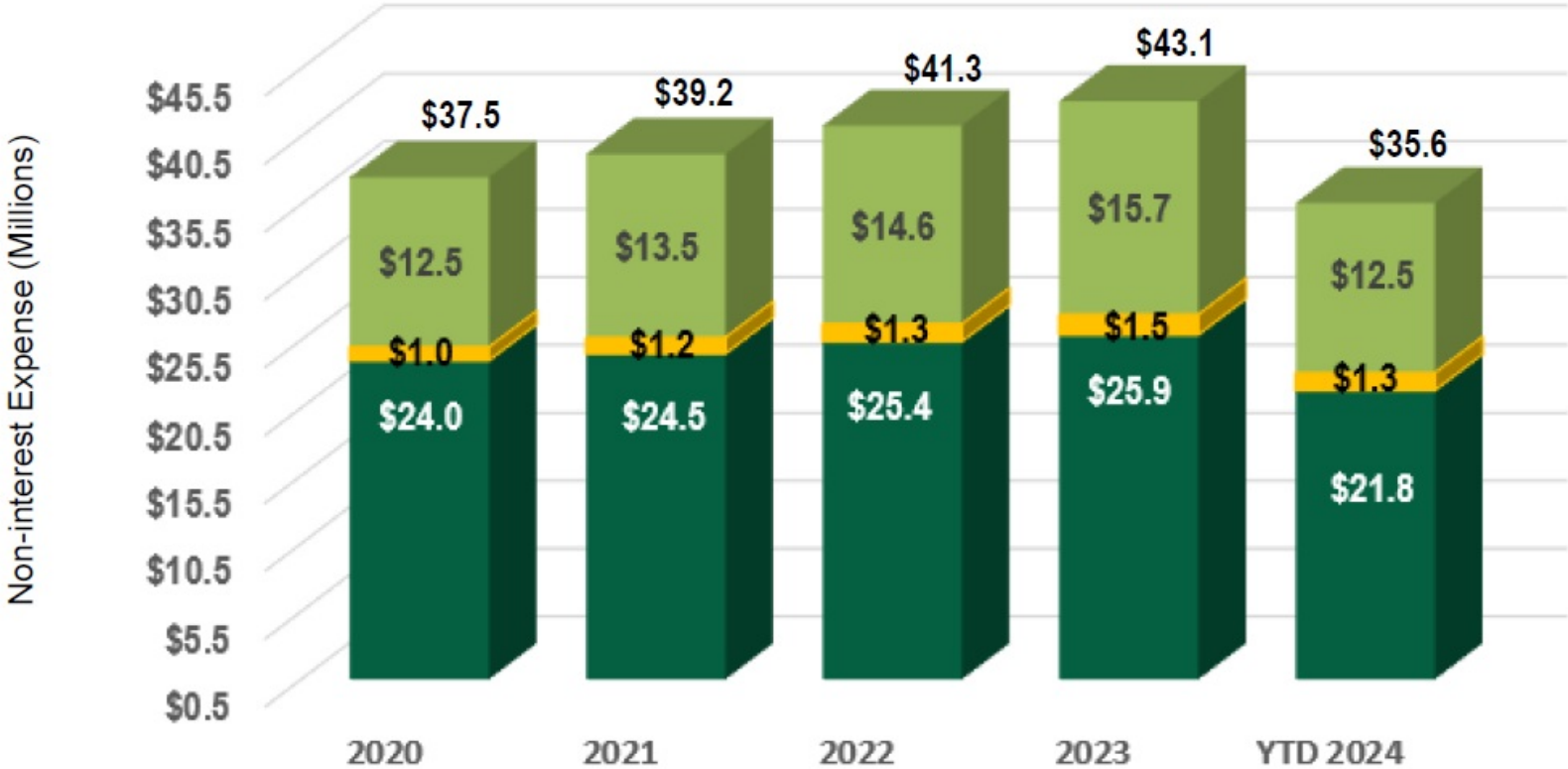
¹ Adjusted for Securities Gains/Losses.



NON-INTEREST EXPENSE

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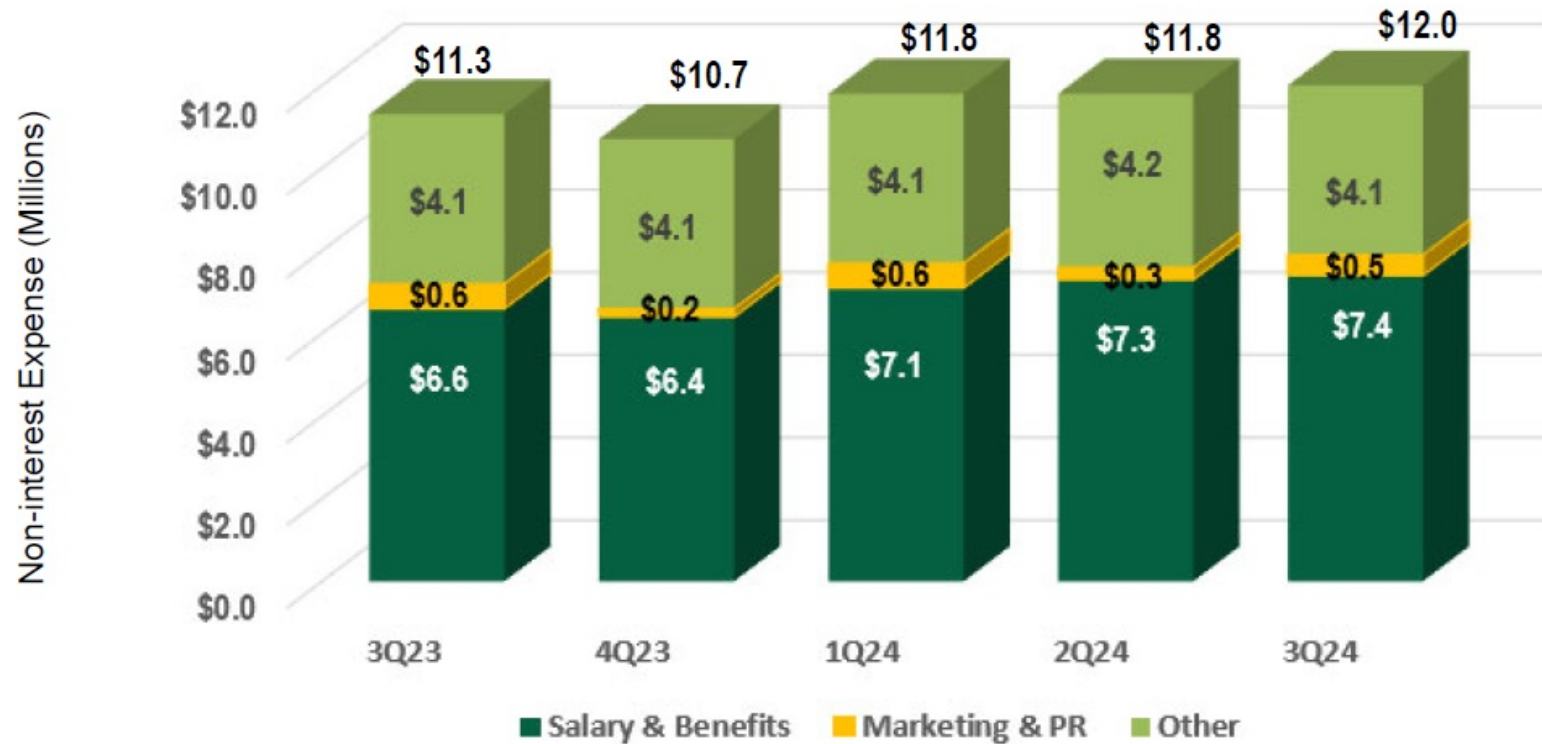
NON-INTEREST EXPENSE



Notes:

2022 Opened new office – Rock Hill.

NON-INTEREST EXPENSE



NOTE: Closed downtown banking office at 771 Broad Street, Augusta, GA, as of June 27, 2024. Cost savings are estimated to be \$327,000 annually going forward.

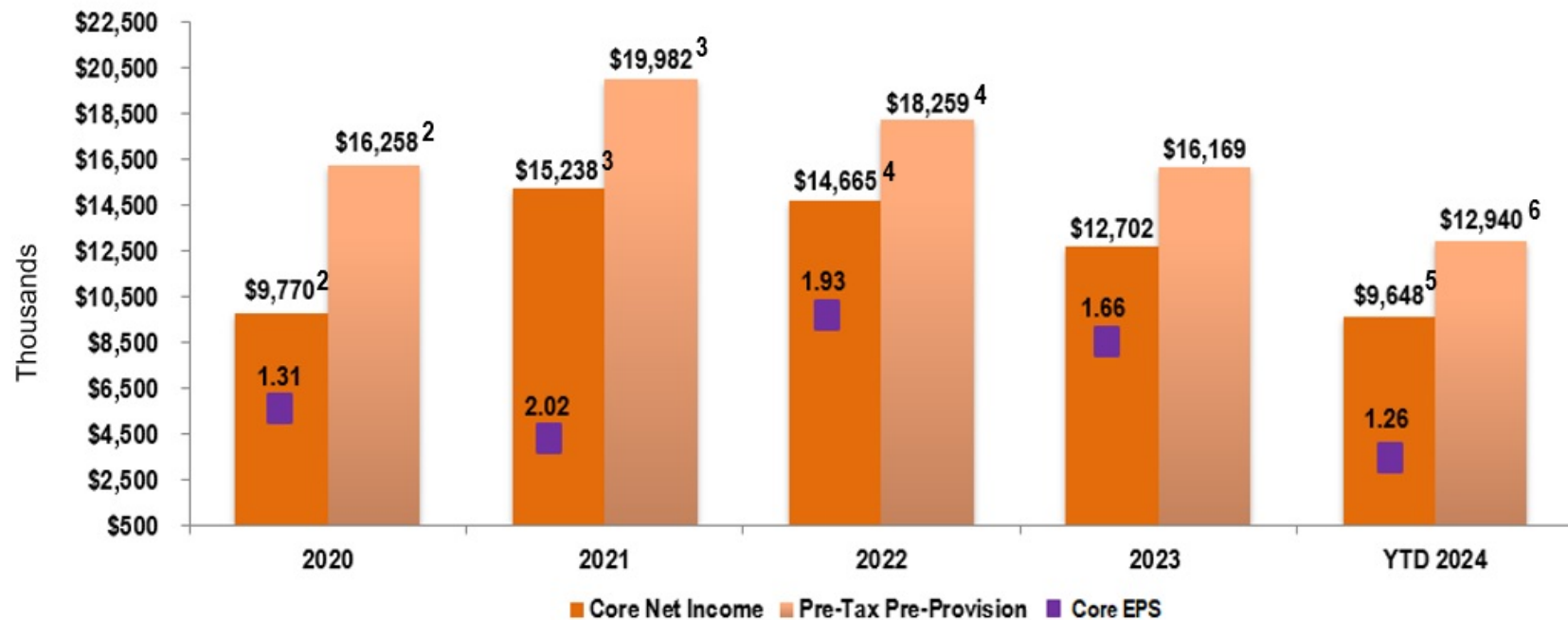


NET INCOME

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NET INCOME

Core Net Income¹ / Core EPS¹ / Pre-Tax Pre-Provision Earnings



¹Core net income and EPS exclude gains (losses) on sale of securities and bank premises, write-downs on bank premises held-for-sale, non-recurring BOLI income, gains on insurance proceeds, and collection of summary judgements on two loans charged off at an FCCO acquired bank. See non-GAAP reconciliation on pages 48 and 49.

²Includes \$738 thousand in non-recurring PPP-related fee income.

³Includes \$2.955 million in non-recurring PPP-related fee income.

⁴Includes \$46 thousand in non-recurring PPP-related fee income.

⁵This compares to YTD results of \$9,423 thousand in Core Net Income and \$1.23 in Core EPS.

⁶This compares to YTD results of \$11,623 thousand in pre-tax pre-provision earnings.

FORWARD-LOOKING STATEMENTS

SAFE HARBOR STATEMENT – In this presentation, unless the context suggests otherwise, references to the “Company” or “FCCO” refer to First Community Corporation and references to “we,” “us,” and “our” mean the combined business of the Company, First Community Bank (or FCB) and its wholly-owned subsidiaries.

This presentation and other written reports and statements made by us and our management from time to time may contain forward-looking statements. These statements include, without limitation, statements regarding our operating philosophy, growth plans and opportunities, strategies and financial performance, industry and economic trends and estimates and assumptions underlying accounting policies. Words such as “believe,” “expect,” “anticipate,” “intend,” “target,” “estimate,” “focus,” “continue,” “positions,” “plan,” “predict,” “project,” “forecast,” “guidance,” “goal,” “objective,” “prospects,” “possible” or “potential,” by future conditional verbs such as “assume,” “will,” “would,” “should,” “could” or “may,” or by variations of such words or by similar expressions are intended to identify such forward-looking statements. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time, are difficult to predict and are generally beyond our control. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, we can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the Company or any other person that such future events, plans, or expectations will occur or be achieved. In addition to factors previously disclosed in the reports filed by us with the US Securities and Exchange Commission (the “SEC”), additional risks and uncertainties may include, but are not limited to: (1) competitive pressures among depository and other financial institutions may increase significantly and have an effect on pricing, spending, third-party relationships and revenues; (2) the strength of the US economy in general and the strength of the local economies in which we conduct operations may be different than expected, including unemployment levels, supply chain disruptions, higher inflation, and slowdowns in economic growth; (3) the rate of delinquencies and amounts of charge-offs, the level of allowance for credit 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 legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action; (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; (7) inflation and changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments; and (8) the ultimate ramifications, if any, of the 2023 and 2024 bank failures with respect to increased regulatory supervision and any increases in the costs of doing business. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in our reports (such as the annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K) filed with the SEC and available at the SEC’s internet site (<http://www.sec.gov>).

All subsequent written and oral forward-looking statements by us or any person acting on our behalf is expressly qualified in its entirety by the cautionary statements above. The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

NON-GAAP FINANCIAL MEASURES

NON-GAAP FINANCIAL MEASURES – This presentation contains certain non-GAAP financial measures that are not in accordance with US generally accepted accounting principles (GAAP). We use certain non-GAAP financial measures to provide meaningful, supplemental information regarding our operational results and to enhance investors' overall understanding of our financial performance. The limitations associated with non-GAAP financial measures include the risk that persons might disagree as to the appropriateness of items comprising these measures and that different companies might calculate these measures differently. These disclosures should not be considered an alternative to our GAAP results. See the end of this presentation for a non-GAAP financial measures reconciliation to the most directly comparable GAAP financial measure.



NON-GAAP RECONCILIATION

The tables below provide a reconciliation of non-GAAP measures to GAAP for each of the periods indicated:

	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	September 30, 2024
Tangible book value per common share					
Tangible common equity per common share (non-GAAP) \$	16.08	\$ 16.62	\$ 13.59	\$ 15.23	\$ 16.78
Effect to adjust for intangible assets	2.10	2.06	2.03	2.00	1.98
Book value per common share (GAAP) \$	18.18	\$ 18.68	\$ 15.62	\$ 17.23	\$ 18.76
Tangible common shareholders' equity to tangible assets					
Tangible common equity to tangible assets (non-GAAP)	8.74 %	8.00 %	6.21 %	6.39 %	6.65 %
Effect to adjust for intangible assets	1.03 %	0.90 %	0.87 %	0.78 %	0.72 %
Common equity to assets (GAAP)	9.77 %	8.90 %	7.08 %	7.17 %	7.37 %

	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	September 30, 2024
Core net income (\$ in thousands)					
Core net income (non-GAAP) \$	9,770	\$ 15,238	\$ 14,665	\$ 12,702	\$ 9,648
Effect to adjust for non-recurring items ¹	329	227	(52)	(859)	75
Net Income (GAAP) \$	10,099	\$ 15,465	\$ 14,613	\$ 11,843	\$ 9,723
Core EPS (\$ in dollars)					
Core EPS - diluted (non-GAAP) \$	1.31	\$ 2.02	\$ 1.93	\$ 1.66	\$ 1.26
Effect to adjust for non-recurring items ¹	0.04	0.03	(0.01)	(0.11)	0.00
EPS - diluted (GAAP) \$	1.35	\$ 2.05	\$ 1.92	\$ 1.55	\$ 1.26

NON-GAAP RECONCILIATION

The tables below provide a reconciliation of non-GAAP measures to GAAP for each of the periods indicated:

	2020	2021	2022	2023	9/30/24 YTD
Pre-tax, pre-provision earnings					
Pre-tax, pre-provision earnings (non-GAAP)	\$ 16,258	\$ 19,982	\$ 18,259	\$ 16,169	\$ 12,940
Effect to adjust for pre-tax, pre-provision earnings	(6,159)	(4,517)	(3,646)	(4,326)	(3,217)
Net Income (GAAP)	\$ 10,099	\$ 15,465	\$ 14,613	\$ 11,843	\$ 9,723

	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	September 30, 2024
Loans and loan growth (\$ in thousands)					
Non-PPP loans and related credit facilities (non-GAAP)	\$ 796,727	\$ 862,235	\$ 980,638	\$ 1,133,868	\$ 1,196,560
Effect to adjust for PPP loans and related credit facilities	47,430	1,467	219	1,151	99
Total loans (GAAP)	\$ 844,157	\$ 863,702	\$ 980,857	\$ 1,134,019	\$ 1,196,659

	September 30, 2024	September 30, 2023	Growth Dollars	Growth Rate
Loans and loan growth (\$ in thousands)				
Non-PPP loans and related credit facilities (non-GAAP)	\$ 1,196,560	\$ 1,091,475	\$ 105,085	9.6 %
Effect to adjust for PPP loans and related credit facilities	99	170	(71)	(41.8) %
Total Loans (GAAP)	\$ 1,196,659	\$ 1,091,645	\$ 105,014	9.6 %

¹Excludes gains (losses) on sale of securities and bank premises, write-downs on bank premises held-for-sale, non-recurring BOLI income, gains on insurance proceeds, and collection of summary judgements on loans charged off at an FCCO acquired bank.