

# how's our bank doing?

2008 Annual Report

First Community Corporation

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**In this report,** you will find details that outline our financial performance in 2008 as well as some perspective on the challenges and opportunities we see ahead. It is our intent to share with you, our shareholders and our valued customers, an honest assessment of the year's realities and our plans moving forward. While no one knows what tomorrow will bring, we remain committed to — and confident in — a unique business model that places us right where we want to be: financial partners to the businesses and families right here, in the Midlands of South Carolina.

## A message to our shareholders

Each Sunday as I leave church, a First Community founding shareholder stops me to ask: How's our bank doing?

As I reflect on the events of 2008, it's this image that comes to mind. Perhaps it is because the recurring event demonstrates so succinctly what it means to be a community bank. We are here to meet the needs of our customers, of course. But we are also accountable to those who have placed their investment dollars — and their trust — with us. These are people whom we see at the grocery store or at the baseball field or (as in this particular case) at church. As CEO of First Community, I feel a deep and abiding responsibility to not let them down.

Needless to say, reporting on the tumult that was 2008 is not an easy or pleasant task. A year that we expected to be one of our most successful ended with a loss of \$6.9 million and a negative total return to stockholders of 35 percent. This report outlines the one unexpected event that led to that decline, as well as a number of economic and internal indicators that position us well moving forward.

It is difficult to acknowledge the losses, but it is our intent to share with you an honest assessment of the year 2008. I hope you will take a few minutes to read the entire report. While no one knows what the future will bring, we believe you will find First Community well positioned for tomorrow.

On behalf of First Community Corporation Chairman of the Board  
Jim Leventis, the officers of our corporation, and each of the 155 associates  
of First Community Bank, I thank you for your unfailing support.

A handwritten signature in black ink, appearing to read "Mike Crapps". The signature is stylized with a large, looped "M" and a cursive "C" for "Crapps".

Mike Crapps  
President and CEO

## A year of unexpected turns.

“Imponderable events.” It’s a phrase that well describes the meltdown on Wall Street, and subsequently the financial services industry, as the months of 2008 marched on. In the year’s tracks lay a scattering of the world’s most respected and powerful institutions, as the fire ignited by collapses jumped sector to sector, community to community.



We were not immune. The year 2008 will go down as one of the most challenging in the history of First Community, with losses totaling \$6.9 million and a negative total return to stockholders of 35 percent. These are difficult facts to acknowledge.

And yet against the economic backdrop in which we were functioning, and compared to peer bank ratios, we remain strong. We exceed the regulatory guidelines to be classified “well capitalized,” a designation that is highly valued in this environment because it is considered the best indicator that a bank is solid and positioned well for the future. In fact, First Community exceeded the “well capitalized” regulatory requirements in three key areas. Actual capital ratios, as compared to the standards established to be designated as “well capitalized,” are profiled below.

<b>“Well Capitalized” Requirement</b>	<b>FCCO</b>	<b>FCCO Excess Capital</b>
Tier 1 Capital Ratio..... 6.0%	12.6%	\$26.4 million
Total Capital Ratio ..... 10%	13.7%	\$14.8 million
Tier 1 Leverage Ratio..... 5%	8.3%	\$20.0 million

There are other important performance measures, as well. In 2008, First Community Bank experienced 7.4 percent (\$21MM) loan growth, totaling \$78MM in new loans during the year. Due to our high lending standards, the quality of the loan portfolio held up well through the fourth quarter. Net charge-offs for the year were 0.32 percent, which compares with a peer bank ratio of .52 percent. While higher than the prior year, First Community's 2008 nonperforming assets to total assets was .39 percent, compared to peer banks at 1.72 percent. While these rates are favorable in comparison to current industry standards, we remain concerned about the impact of this economic environment on our customer base of local businesses and professionals.

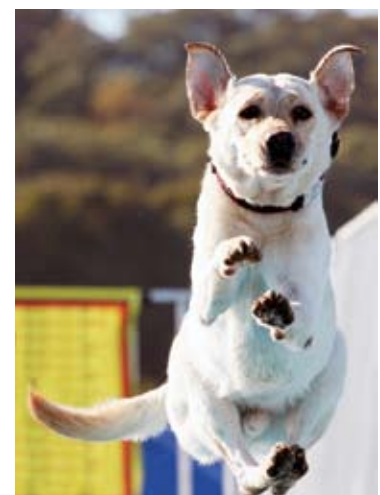
The year saw solid growth in core deposits, at 4.4 percent (\$15.2MM) from \$344.5 in December 2007 to \$359.7MM in December 2008. There are a number of factors that contributed to this exciting growth during what turned out to be such a tumultuous year for the financial services sector nationally. First Community Bank launched a new personal sweep account that proved popular among our existing client base and was also a good tool for customer acquisition. We continued to place a lot of focus on our retail banking environment — meeting each customer with a warm smile, working hard to meet their needs, providing financial solutions to families throughout the Midlands. We also experienced some increased late year activity that can be attributed to the appeal of our style of community banking amid the instability of the national and regional financial markets.

This is news that is particularly good. Key to sustainable success for our bank is the fact that our funding base is not reliant on broker markets. Our core deposits are relationship based, and those relationships are with people who live and work right here in the communities we serve. This distinct point of difference for our bank has only become more relevant in this new economy. It's why you saw us take to the airwaves with a message of calm reassurance in the fourth quarter. Local businesses make up the very fiber of our local economy, and local business owners are trying to make the very best decisions they can to remain financially stable in this crisis. We want them to know they don't have to go it alone. We are here to meet with them, counsel them, and where appropriate, to make the loans they need to weather the storm or to take advantage of a new market opportunity.



**May 2008**

**Relay for Life teams formed at  
First Community banking offices;  
\$13,000 raised for the American  
Cancer Society**





# Opportunity abounds.

## Milestones

**September 2008**

**First Community Financial Consultants formed.**

**October 2008**

**First Community Bank named one of the “Best Places to Work in South Carolina” by the South Carolina Chamber of Commerce.**



**Founded in 1995 with two locations: Lexington and Forest Acres**



A key move we made in 2008 was the formation of a new business unit, First Community Financial Consultants. It was a decision that came from monthly business lunch roundtables. Many business owners are so focused on the success of their businesses that they neglect personal financial planning. As a financial partner to so many of these local business leaders, it made sense for us to provide this next link in our continuum of financial offerings. Little did we know how valuable this service would quickly become in helping our customers plan for the future. We look forward not only to the growth we expect to see in this financial planning and investments division, but in helping our customers find peace of mind knowing there is a financial plan in place to help them live the life they envision.

Another proud moment for First Community came when we were named one of the 2008 Best Places to Work in South Carolina by the South Carolina Chamber of Commerce. The award is meant to “identify and recognize the state’s most innovative and top-notch employers,” and we couldn’t be more pleased. We recognize the key role our employees play in the long-term success of our organization, and we consider it a great honor to have been recognized for our culture and work environment in such a meaningful way.



# The road ahead.

It's the lesson of 2008: We are all connected. Some connections are obvious, some are just coming visible, some we can't yet imagine.

These connections are becoming more significant every day in the Midlands of South Carolina. One company's accounts receivable is another's accounts payable. As the local bank for local business, we have a unique role to play in this challenging environment. We are here to provide support, encouragement and counsel to these businesses. It's a role we believe to be vital.

Interestingly, we are perfectly positioned to do so. With a 13-year track record, and with an amazing team of experienced bankers who truly care about their customers' successes, we believe everything we have done as an organization has prepared us for this moment. Since our founding in 1995, we've been here to serve as a trusted financial partner to the businesses, families and individuals of the Midlands of South Carolina. That's a commitment that matters, now more than ever.

**Charitable giving in 2008: \$65,000**



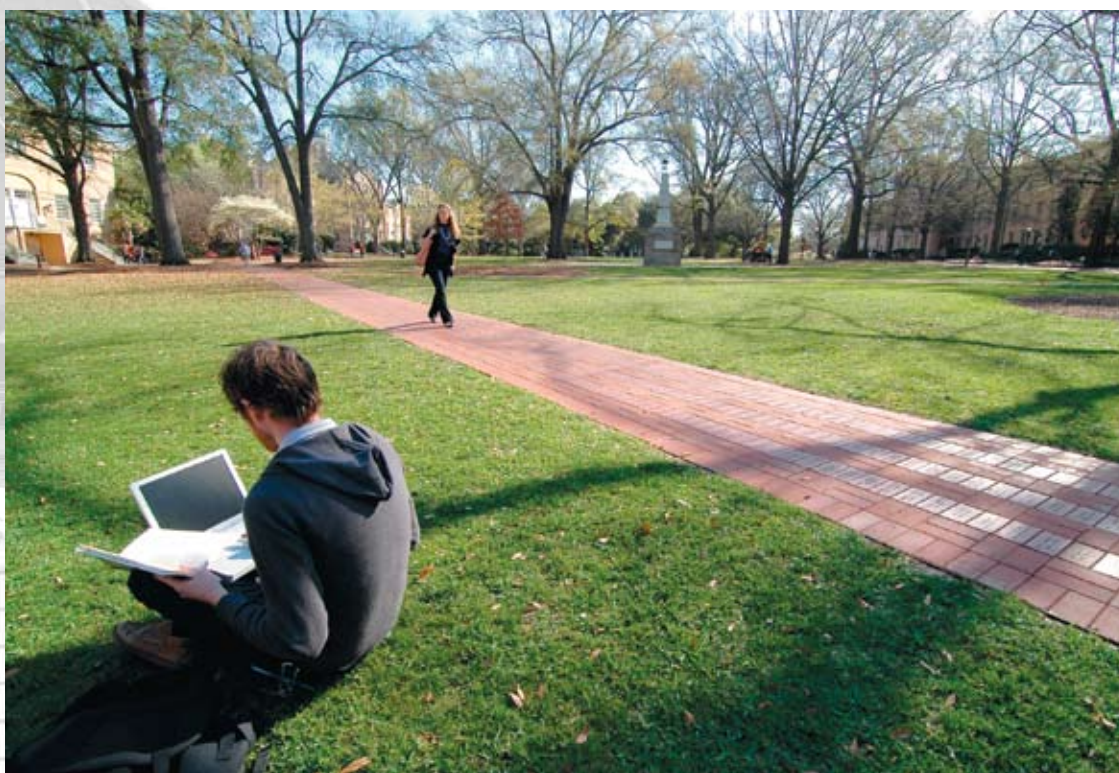
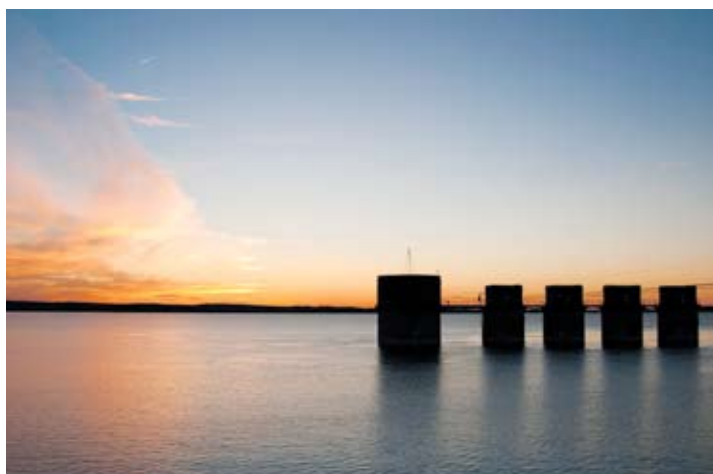
**Now serving 11 communities  
around the Midlands**

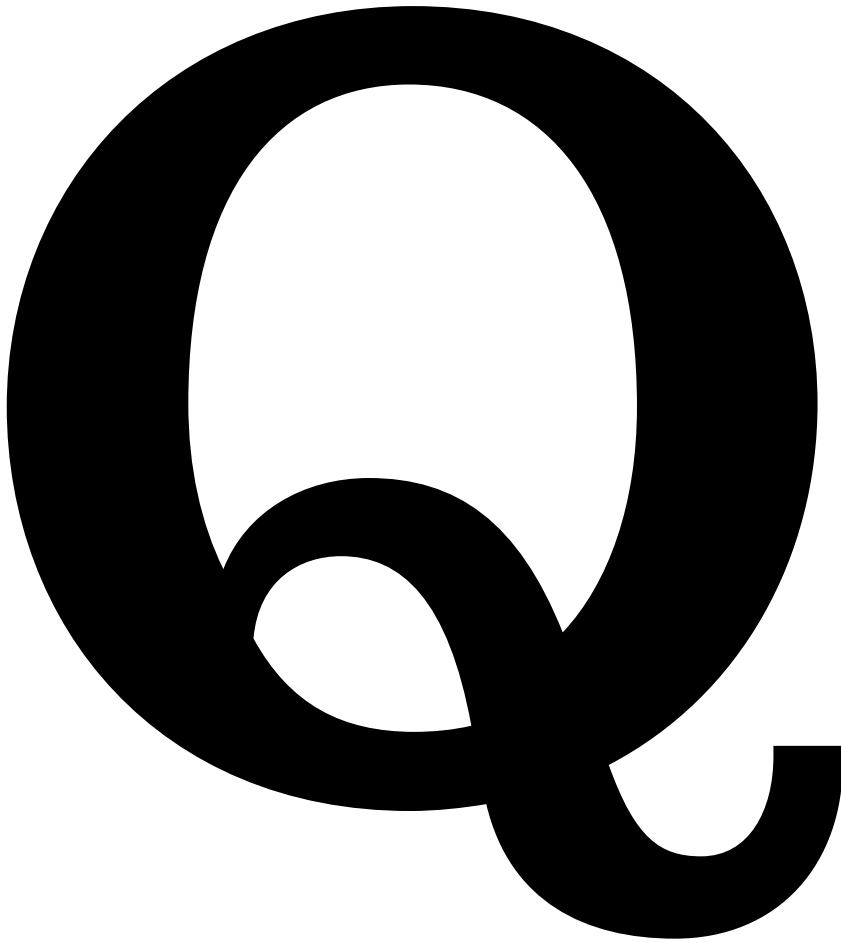






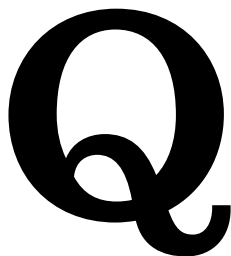
**Proud sponsor of community programs**



A large, bold, black letter 'Q' in a serif font, positioned on the left side of the page.

A conversation  
with Mike Crapps,  
First Community CEO,  
and Joe Sawyer,  
First Community CFO.

A large, bold, green letter 'A' in a serif font, positioned on the right side of the page.

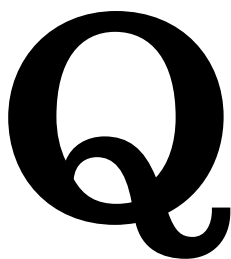


**First Community now has a 13-year history. With that established track record and a detailed business plan, were you prepared for what 2008 had in store?**

**M:** Obviously, the depth and breadth of this economic crisis surprised the savviest of forecasters — no one could have predicted the impact the housing crisis, and related subprime lending issues, would have on Wall Street, much less Main Street. But we have a long history of very disciplined, very focused planning. So I believe we are in the best possible position to ride out the storm.

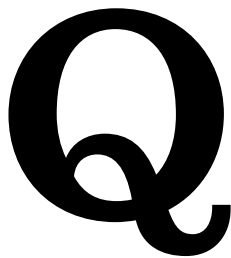
**Q: Did First Community participate in subprime lending?**

**M:** No. Quite honestly, we never considered it; our management team knew it wasn't consistent with our core values. We have always been conservative lenders. We want to protect the investment our shareholders have made in the bank, of course, but we also have a genuine belief that making a loan to a family or a business that cannot afford to pay it back is not good business, because it is not in *their* best interest. It's our responsibility to look out for *our customer*, first and foremost.



**First Community performed well during 2008 and yet lost \$6.9 million. What happened?**

**J:** In the third quarter of the year, the U.S. Treasury Department announced its decision to place the Federal Home Loan Corporation, commonly known as Freddie Mac, into conservatorship and to suspend cash dividends paid on its preferred stock. We acquired this investment holding with the purchase of Newberry Federal in 2004. While we divested some Newberry Federal holdings at that time, we made the decision to retain this block. Freddie Mac was a government sponsored enterprise (GSE), so we felt our exposure was very limited. The Freddie Mac write-downs we took in the second and third quarters totaled \$14.3 million, with an after-tax impact of \$9.5 million. As difficult as it was to take that hit on our balance sheet, it eliminated any remaining exposure to GSE preferred securities.



**There's lack of consumer confidence in the marketplace, and that goes double for the financial industry. What do you see that makes you hopeful about the future?**

**M:** I believe 2009 is going to be another tough year. I am concerned about our local economy because this is such a challenging time to be in business. Our management team — in fact, people throughout our organization — realize we have an important role to play in this recovery. So we're doing everything we can to provide support. We're conducting Business Reviews in every market we serve, meeting with our customers, and potential customers, to identify strategies to overcome whatever challenge they're facing. For many businesses, it's a matter of improving cash flow. Some can benefit from debt restructuring. Our commercial bankers are very experienced in providing this type of analysis and it's making a difference.

**J:** And we're making loans. For some, this recession offers a time of opportunity.

**Q: I'm glad you mentioned loans. First Community received TARP funding from the federal government, a program launched to help stabilize financial markets. The program, and many financial institutions that received the funds, have come under fire in recent months.**

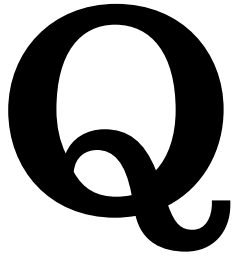
**M:** Yes, TARP is an important part of the recovery effort. And it's important to understand what it can, and cannot, achieve. While there are several goals, primary among them is the expectation that this investment made by our federal government will "loosen" credit, encouraging banks to lend at levels seen before the crisis. That can be true, in instances where the money stabilizes capital ratios. The investment removes the need to hold onto the money to guard against potential future losses. When it comes to First Community Bank, our capital ratio is strong, and the money is earmarked for lending. The difficulty is that fewer businesses are seeking to

borrow and there are fewer that now qualify for loans. This means there are fewer businesses to lend the money to.

**J:** That's such an important point. Our lending standards are the same today that they have always been. We are conservative lenders. We simply believe it is in no one's best interest to make a loan that can't be paid back. It's not good for our shareholders, it's not good for the bank, and it's certainly not good for the person or business that then finds itself in default.

**M:** In fact, "loose" lending helped get our country in the situation we face today.



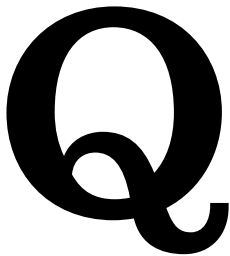


### What do you see on the horizon?

**M:** I am hopeful. This is a difficult time for many, but there is something fundamental and exciting about the entrepreneurial spirit that is being born of this crisis. The economic landscape is being rearranged, and there are new opportunities every day.

**J:** We are keeping a close eye on what is happening nationally. But our focus is right here, in the Midlands of South Carolina. We have a long view but we work every day to provide the very best counsel, and the very best support, to people who live and work right here.

**M:** We know this marketplace intimately. We are very well positioned to be a friend to our customers during this difficult time. And when the market changes — and it will — we will be ready for the shift.



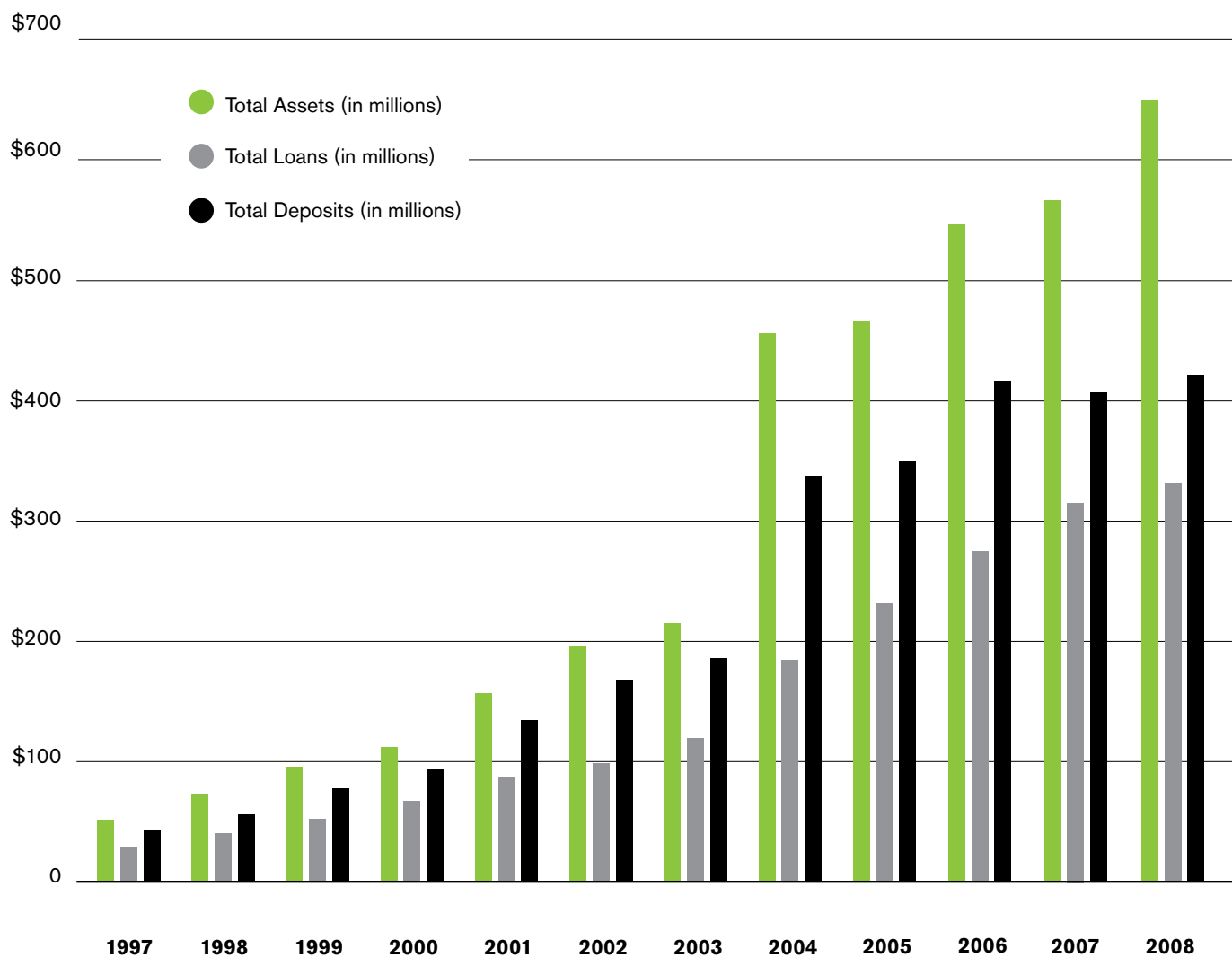
### What do you want your shareholders and customers to know about First Community today?

**M:** First, that we accept responsibility for the losses we suffered in 2008. It is still difficult to acknowledge those numbers. We simply didn't see the downfall of Freddie Mac and Fannie Mae coming — it was unfathomable. But when it happened, we dealt with the situation as openly and swiftly as we could. Second, that we remain a very strong financial institution. You can see that in the numbers in this annual report, and I'm pleased we are positioned well for the future. Third — and most importantly, we remain committed to the communities we serve. This financial crisis will be solved through the initiative and perseverance of small businesses across this country. We are here to do what we can to support the efforts of our friends and neighbors right here. It's why we were formed, and it's why we've come to work every day since our founding. It's the reason First Community Bank exists.

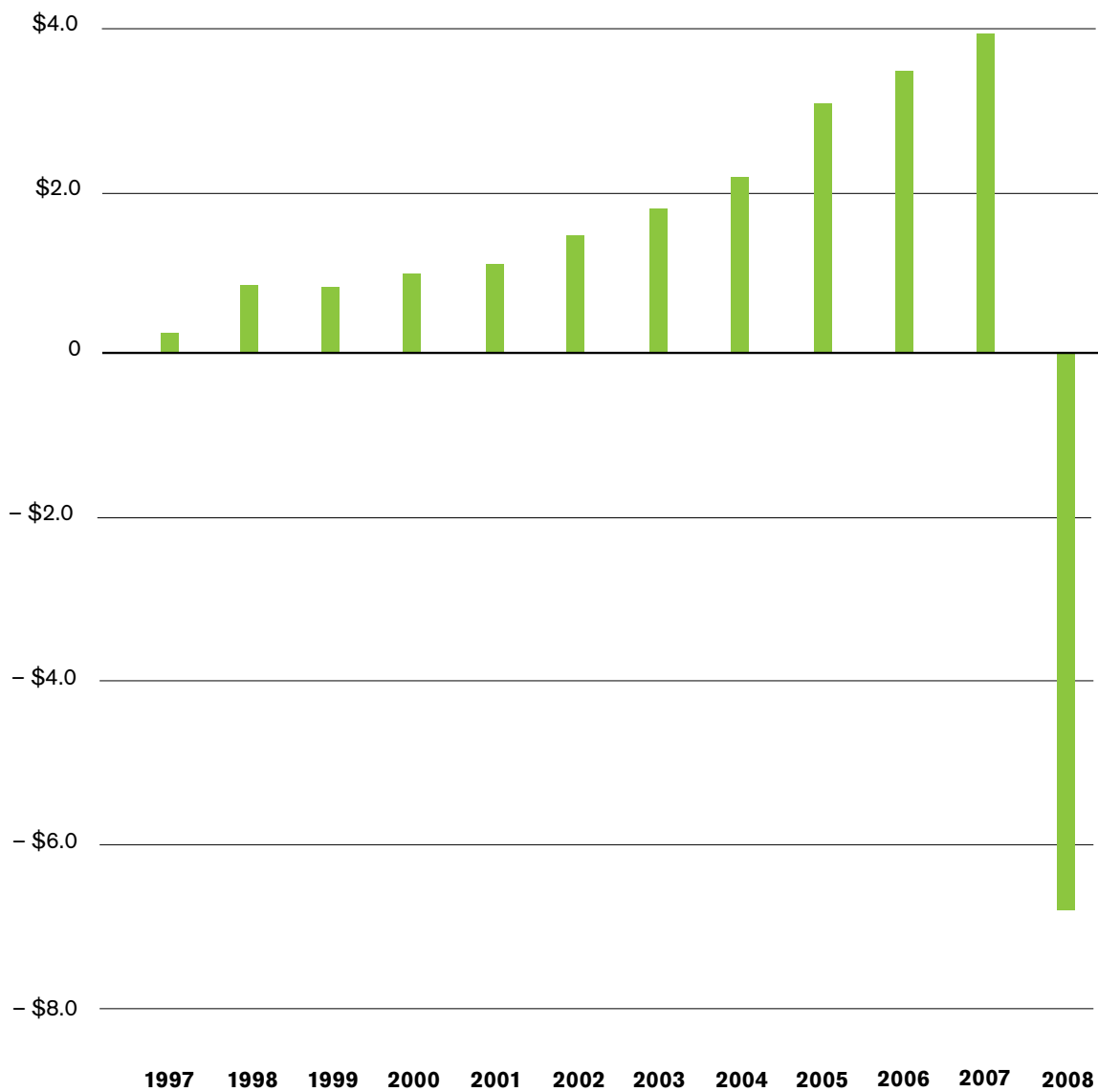
# Financial Information 2008

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## Assets, Loans and Deposits (in millions)



## Net Income (in millions)



# Selected Financial Data

(amounts in thousands, except per share data)

	Year ended December 31,				
	2008	2007	2006	2005	2004
<b>OPERATIONS STATEMENT DATA:</b>					
Net interest income	\$ 17,198	\$ 15,290	\$ 14,323	\$ 12,994	\$ 9,596
Provision for loan losses	2,129	492	528	329	245
Non-interest income	(10,084)	5,017	4,401	3,298	1,774
Non-interest expense	15,539	14,125	13,243	11,838	7,977
Income taxes	(3,761)	1,725	1,452	1,032	963
<b>Net income (loss)</b>	<b>\$ (6,793)</b>	<b>\$ 3,965</b>	<b>\$ 3,501</b>	<b>\$ 3,093</b>	<b>\$ 2,185</b>
Preferred stock dividends	71	—	—	—	—
<b>Net income (loss) available to common shareholders</b>	<b>\$ (6,864)</b>	<b>\$ 3,965</b>	<b>\$ 3,501</b>	<b>\$ 3,093</b>	<b>\$ 2,185</b>
<b>PER SHARE DATA:</b>					
Net income diluted	\$ (2.14)	\$ 1.21	\$ 1.10	\$ 1.04	\$ 1.09
Cash dividends	0.32	0.27	0.23	0.20	0.20
Book value per common share at period end	17.76	19.93	19.36	17.82	18.09
Tangible book value per common share at period end	8.50	10.67	10.05	8.34	8.19
<b>BALANCE SHEET DATA:</b>					
Total assets	\$ 650,233	\$ 565,613	\$ 548,056	\$ 467,455	\$ 455,706
Loans	332,964	310,028	275,189	221,668	186,771
Securities	235,075	175,258	176,523	176,372	196,026
Deposits	423,798	405,855	414,941	349,604	337,064
Shareholders' equity	68,156	63,996	63,208	50,767	50,463
Average shares outstanding	3,208	3,234	3,097	2,847	1,903
<b>PERFORMANCE RATIOS:</b>					
Return on average assets:					
GAAP earnings (loss)	(1.10 %)	0.72 %	0.68 %	0.67 %	0.76 %
Operating earnings <sup>(1)</sup>	0.51 %	0.71 %	0.69 %	0.64 %	0.76 %
Return on average common equity:					
GAAP earnings (loss)	(10.89 %)	6.24 %	6.12 %	6.12 %	8.00 %
Operating earnings <sup>(1)</sup>	5.04 %	6.19 %	6.21 %	5.84 %	7.93 %
Return on average tangible common equity:					
GAAP earnings (loss)	(21.60 %)	11.83 %	12.69 %	13.33 %	10.39 %
Operating earnings <sup>(1)</sup>	10.00 %	11.74 %	12.86 %	12.72 %	10.35 %
Net interest margin	3.16 %	3.21 %	3.27 %	3.30 %	3.72 %
Dividend payout ratio	—	21.95 %	20.35 %	18.35 %	17.39 %
<b>ASSET QUALITY RATIOS:</b>					
Allowance for loan losses to period end total loans	1.38 %	1.14 %	1.17 %	1.22 %	1.48 %
Allowance for loan losses to non-performing assets	178.53 %	286.06 %	688.44 %	487.54 %	1,250.68 %
Non-performing assets to total assets	.39 %	.22 %	.09 %	.12 %	.03 %
Net charge-offs to average loans	.34 %	.06 %	.13 %	.19 %	.13 %
<b>CAPITAL AND LIQUIDITY RATIOS:</b>					
Tier 1 risk-based capital	12.58 %	13.66 %	13.48 %	13.24 %	12.91 %
Total risk-based capital	13.73 %	14.61 %	14.40 %	14.12 %	13.86 %
Leverage ratio	8.28 %	9.31 %	9.29 %	9.29 %	8.51 %
Equity to assets ratio	10.48 %	11.31 %	11.53 %	10.86 %	9.60 %
Average loans to average deposits	75.45 %	73.45 %	64.83 %	59.81 %	61.00 %

## <sup>(1)</sup>Reconciliations

The following is a reconciliation for the five years ended December 31, 2008, of net income (loss) as reported for generally accepted accounting principles ("GAAP") and the non-GAAP measure referred to above:

(dollars in thousands)

	December 31,				
	2008	2007	2006	2005	2004
Net income (loss), As Reported (GAAP)	\$ (6,793)	\$ 3,965	\$ 3,501	\$ 3,093	\$ 2,185
Add: Income tax expense (benefit)	(3,761)	1,725	1,452	1,032	963
	(10,554)	5,690	4,953	4,125	3,148
Non-operating items:					
(Gain) loss on sale of securities	28	(49)	69	(188)	(11)
Other-than-temporary-impairment charge	14,494	—	—	—	—
Pre-tax operating earnings (loss)	3,968	5,641	5,022	3,937	3,137
Related income tax expense	825	1,708	1,472	985	960
<b>Operating earnings, (net income, excluding non operating items)</b>	<b>\$ 3,143</b>	<b>\$ 3,933</b>	<b>\$ 3,550</b>	<b>\$ 2,952</b>	<b>\$ 2,177</b>



# Consolidated Balance Sheets

(amounts in thousands, except par values)

	<b>Year ended December 31,</b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>ASSETS:</b>		
Cash and due from banks	\$ 8,722	\$ 9,439
Interest-bearing bank balances	667	48
Federal funds sold and securities purchased under agreements to resell	2,978	4,194
Investment securities — available for sale	155,378	160,908
Investment securities — held to maturity (market value of \$62,611 and \$6,361 at December 31, 2008 and 2007, respectively)	69,482	6,317
Investment securities, at fair value	2,505	2,876
Other investments, at cost	7,710	5,157
Loans	332,964	310,028
Less, allowance for loan losses	4,581	3,530
Net loans	328,383	306,498
Property, furniture and equipment — net	19,378	19,702
Bank owned life insurance	10,239	9,920
Goodwill	27,761	27,761
Intangible assets	2,123	1,983
Other assets	14,907	10,810
<b>Total assets</b>	<b>\$ 650,233</b>	<b>\$ 565,613</b>
<b>LIABILITIES:</b>		
Deposits:		
Non-interest bearing demand	\$ 65,751	\$ 79,509
NOW and money market accounts	94,256	88,038
Savings	22,461	24,272
Time deposits less than \$100,000	155,319	122,436
Time deposits \$100,000 and over	86,011	91,600
Total deposits	423,798	405,855
Securities sold under agreements to repurchase	28,151	23,334
Federal Home Loan Bank Advances	105,954	49,299
Federal Home Loan Bank Advances, at fair value	2,582	1,533
Junior subordinated debt	15,464	15,464
Other borrowed money	152	190
Other liabilities	5,976	5,942
<b>Total liabilities</b>	<b>582,077</b>	<b>501,617</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock, par value \$1.00 per share; 10,000,000 shares authorized; 11,350 issued and outstanding	10,850	—
Common stock, par value \$1.00 per share; 10,000,000 shares authorized; issued and outstanding 3,227,039 in 2008 and 3,211,011 in 2007	3,227	3,211
Common stock warrants issued	509	—
Nonvested restricted stock	(186)	—
Additional paid in capital	48,732	48,617
Retained earnings	6,263	14,564
Accumulated other comprehensive income	(1,239)	(2,396)
Total shareholders' equity	68,156	63,996
<b>Total liabilities and shareholders' equity</b>	<b>\$ 650,233</b>	<b>\$ 565,613</b>

# Consolidated Statements of Income (Loss)

(amounts in thousands, except per share data)

	Year ended December 31,		
	2008	2007	2006
<b>INTEREST INCOME:</b>			
Loans, including fees	\$ 21,503	\$ 22,243	\$ 18,613
Investment securities — taxable	10,822	7,893	7,555
Investment securities — non taxable	367	433	336
Other short term investments	316	386	741
Total interest income	33,008	30,955	27,245
<b>INTEREST EXPENSE:</b>			
Deposits	11,264	11,794	9,829
Securities sold under agreement to repurchase	353	1,118	805
Other borrowed money	4,193	2,753	2,288
Total interest expense	15,810	15,665	12,922
Net interest income	17,198	15,290	14,323
Provision for loan losses	2,129	492	528
Net interest income after provision for loan losses	15,069	14,798	13,795
<b>NON-INTEREST INCOME:</b>			
Deposit service charges	2,682	2,722	2,390
Mortgage origination fees	579	407	451
Commission on sale non deposit products	334	356	321
Gain (loss) on sale of securities	(28)	49	(69)
Other-than-temporary-impairment write-down on securities	(14,494)	—	—
Fair value gain (loss) adjustments	(623)	168	68
Gain on early extinguishment of debt	—	—	159
Other	1,466	1,315	1,081
Total non-interest income (loss)	(10,084)	5,017	4,401
<b>NON-INTEREST EXPENSE:</b>			
Salaries and employee benefits	7,964	7,301	6,886
Occupancy	1,155	1,160	946
Equipment	1,289	1,270	1,241
Marketing and public relations	563	458	329
Amortization of intangibles	507	670	637
Other	4,061	3,266	3,204
Total non-interest expense	15,539	14,125	13,243
Net income (loss) before tax	(10,554)	5,690	4,953
Income tax expense (benefit)	(3,761)	1,725	1,452
Net income (loss)	\$ (6,793)	\$ 3,965	\$ 3,501
Preferred stock dividends	71	—	—
Net income (loss) available to common shareholders	\$ (6,864)	\$ 3,965	\$ 3,501
<b>BASIC EARNINGS (LOSS) PER COMMON SHARE</b>	\$ (2.14)	\$ 1.23	\$ 1.13
<b>DILUTED EARNINGS (LOSS) PER COMMON SHARE</b>	\$ (2.14)	\$ 1.21	\$ 1.10

# Independent Registered Public Accounting Firm

The Board of Directors  
First Community Corporation  
Lexington, South Carolina

We have audited the accompanying consolidated balance sheets of First Community Corporation and subsidiary (the Company), as of December 31, 2008 and 2007, and the related consolidated statements of income (loss), changes in shareholders' equity and comprehensive income (loss), and cash flows for the three years then ended. Such consolidated financial statements and our report thereon dated March 17, 2009, expressing an unqualified opinion (which are not presented herein), are included in the First Community Corporation, 2008 Report on Form 10K. These accompanying consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on such consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying consolidated balance sheets as of December 31, 2008 and 2007, and the related consolidated statements of income (loss) for the three years then ended, is fairly stated, in all material respects, in relation to the basic consolidated financial statements from which it has been derived.

*Elliott Davis, LLC*

Elliott Davis, LLC  
Columbia, South Carolina  
March 17, 2009

# Directors

**Richard K. Bogan, MD, FCCP**

Chairman, Chief Medical Officer  
SLEEPMED, Inc.

**Thomas C. Brown**

Owner and President  
T.C.B. Enterprises of SC, Inc.

**Chimin J. Chao**

President  
Chao and Associates, Inc.

**Michael C. Crapps**

President and Chief Executive Officer  
First Community Corporation  
First Community Bank

**Hinton G. Davis**

Consultant  
Davis-Garvin Agency, Inc.  
Capital City Insurance Company, Inc.

**Anita B. Easter**

Principal  
Greenleaf Enterprises

**O.A. Ethridge, DMD**

Pediatric Dentist, Retired

**George H. Fann, Jr., DMD**

General Dentistry

**J. Thomas Johnson**

Vice Chairman of the Board  
First Community Corporation  
First Community Bank

**W. James Kitchens, Jr.**

Certified Public Accountant  
The Kitchens Firm, P.A.

**James C. Leventis**

Chairman of the Board  
First Community Corporation  
First Community Bank

**Alex Snipe**

President  
Glory Communications

**Roderick M. “Rick” Todd, Jr.**

Attorney & Counselor at Law

**Loretta R. Whitehead**

Broker In Charge  
EXIT Real Estate Consultants

**Mitchell M. Willoughby**

Partner  
Willoughby and Hoefer, P.A.

**Directors Emeritus**

William L. Boyd, III  
Robert G. Clawson  
Broadus Thompson



# Executive Officers

## First Community Corporation

**James C. Leventis**  
Chairman of the Board

**Michael C. Crapps**  
President and  
Chief Executive Officer

**David K. Proctor**  
Senior Vice President and  
Senior Credit Officer

**Joseph G. Sawyer**  
Senior Vice President and  
Chief Financial Officer

## First Community Bank

**James C. Leventis**  
Chairman of the Board

**Michael C. Crapps**  
President and  
Chief Executive Officer

**David K. Proctor**  
Senior Vice President and  
Senior Credit Officer

**Joseph G. Sawyer**  
Senior Vice President and  
Chief Financial Officer

**Robin D. Brown**  
Senior Vice President  
Director of Human Resources  
and Marketing

**J. Ted Nissen**  
Senior Vice President  
Director of Commercial  
and Retail Banking

**Harry A. Deith**  
Vice President  
Commercial Banker



Left to right:  
Robin D. Brown, Michael C. Crapps, Harry A. Deith, James C. Leventis, David K. Proctor, Joseph G. Sawyer, J. Ted Nissen

# Shareholder Information

## Annual Meeting

The annual meeting of shareholders will be held at  
11:00 am, Wednesday May 20, 2009:  
South Carolina State Museum  
Vista Room  
301 Gervais Street  
Columbia, SC 29201

## Transfer Agent

Registrar and Transfer Company  
10 Commerce Drive  
Cranford, New Jersey 07016-3572  
(800) 456-0596

## 10k/Financial Information

Copies of First Community Corporation's Annual Report to the Securities and Exchange Commission form 10K, and other information may be obtained from:  
Joseph G. Sawyer  
First Community Corporation  
Post Office Box 64  
Lexington, South Carolina 29071

## Independent Registered Public Accounting Firm

Elliott Davis, LLC  
1901 Main Street  
Suite 1650  
Columbia, South Carolina 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.

	2008			2007		
	HIGH	LOW	DIVIDENDS PAID	HIGH	LOW	DIVIDENDS PAID
<b>1Q</b>	\$ 16.49	\$ 12.70	\$ 0.08	\$ 18.99	\$ 16.52	\$ 0.06
<b>2Q</b>	\$ 14.99	\$ 11.66	\$ 0.08	\$ 17.85	\$ 16.57	\$ 0.07
<b>3Q</b>	\$ 13.65	\$ 9.56	\$ 0.08	\$ 16.66	\$ 14.53	\$ 0.07
<b>4Q</b>	\$ 10.00	\$ 6.31	\$ 0.08	\$ 16.18	\$ 12.00	\$ 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, N.A. A national bank may only pay dividends out of its net profits then on hand, after deducting expenses, including losses and bad debts. In addition, the bank is prohibited from declaring a dividend on its shares of common stock until its surplus equals its stated capital, unless there has been transferred to surplus no less than one-tenth of the bank's net profits of the preceding two consecutive half-year periods (in the case of an annual dividend). The approval of the Office of the Comptroller of the Currency is required if the total of all dividends declared by the bank in any calendar year exceeds the total of its net profits for the year combined with its retained net profits for the preceding two years, less any required transfers to surplus.

Special thanks to First Community Bank employees Kevin Adams and Ed Pearce for providing some of the photos used in this report.

This report is printed on Mohawk Options, manufactured with wind energy and containing 100% post-consumer recycled fiber. This paper is certified by Green Seal.

**First Community Corporation**

Lexington, South Carolina 29072