

FIRST COMMUNITY CORP /SC/
Form 10-Q
November 15, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the quarterly period ended September 30, 2010

Transition report pursuant to Section 13 or 15(d) of the Exchange Act

for the transition period from to

Commission File No. 000-28344

FIRST COMMUNITY CORPORATION

(Exact name of registrant as specified in its charter)

South Carolina

57-1010751

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(State of Incorporation)

(I.R.S. Employer Identification)

5455 Sunset Boulevard, Lexington, South Carolina 29072

(Address of Principal Executive Offices)

(803) 951-2265

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: **On November 12, 2010, 3,265,809 shares of the issuer's common stock, par value \$1.00 per share, were issued and outstanding.**

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(Dollars in thousands, except par value)	September 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
Cash and due from banks	\$ 9,831	\$ 6,752
Interest-bearing bank balances	21,599	13,635
Federal funds sold and securities purchased under agreements to resell	422	457
Investment securities - available for sale	153,843	131,836
Investment securities - held to maturity (market value of \$39,820 and \$49,092 at September, 2010 and December 31, 2009, respectively)	42,478	56,104
Other investments, at cost	6,984	7,904
Loans	329,713	344,187
Less, allowance for loan losses	4,841	4,854
Net loans	324,872	339,333
Property, furniture and equipment - net	18,126	18,666
Bank owned life insurance	10,747	10,551
Other real estate owned	7,373	3,167
Intangible assets	1,036	1,502
Other assets	14,138	15,920
Total assets	\$ 611,449	\$ 605,827
LIABILITIES		
Deposits:		
Non-interest bearing demand	\$ 76,252	\$ 72,656
NOW and money market accounts	119,371	104,659
Savings	31,022	25,757
Time deposits less than \$100,000	145,805	156,422
Time deposits \$100,000 and over	89,181	90,082
Total deposits	461,631	449,576
Securities sold under agreements to repurchase	15,883	20,676
Federal Home Loan Bank advances	68,826	73,326
Junior subordinated debt	15,464	15,464
Other borrowed money	120	164
Other liabilities	5,636	5,181
Total liabilities	567,560	564,387
SHAREHOLDERS EQUITY		
Preferred stock, par value \$1.00 per share, 10,000,000 shares authorized; 11,350 issued and outstanding	11,011	10,939
Common stock, par value \$1.00 per share; 10,000,000 shares authorized; issued and outstanding 3,265,809 at September 30, 2010 3,252,358 at December 31, 2009	3,266	3,252
Common stock warrants issued	509	509
Nonvested restricted stock		(79)
Additional paid in capital	48,939	48,873
Retained earnings (deficit)	(19,832)	(20,401)

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Accumulated other comprehensive income		(4)		(1,653)
Total shareholders' equity		43,889		41,440
Total liabilities and shareholders' equity	\$	611,449	\$	605,827

See Notes to Consolidated Financial Statements

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FIRST COMMUNITY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

	Nine Months Ended September 30, 2010 (Unaudited)	Nine Months Ended September 30, 2009 (Unaudited)
(Dollars in thousands, except per share data)		
Interest income:		
Loans, including fees	\$ 14,970	\$ 15,046
Taxable securities	5,632	7,926
Non taxable securities	168	255
Federal funds sold and securities purchased under resale agreements	44	42
Other	28	26
Total interest income	20,842	23,295
Interest expense:		
Deposits	4,860	6,842
Federal funds sold and securities sold under agreement to repurchase	50	77
Other borrowed money	2,277	3,263
Total interest expense	7,187	10,182
Net interest income	13,655	13,113
Provision for loan losses	1,365	2,057
Net interest income after provision for loan losses	12,290	