FIRST COMMUNITY CORP /SC/
Form 424B4
July 24, 2012

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As Filed Pursuant to Rule 424(b)(4)
under the Securities Act of 1933
Registration No. 333-181437

PROSPECTUS

1,630,435 Shares

We are offering 1,630,435 shares of our common stock, $1.00 par value per share. Our common stock is traded on the NASDAQ Capital Market under the symbol "FCCO." On July 23, 2012, the last reported sale price of our common stock on the NASDAQ Capital Market was $8.00 per share.

These shares of common stock are not savings accounts, deposits, or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 16 to read about factors you should consider before buying our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Price to public	$ 8.00	$ 13,043,480
Underwriting discount	$ 0.48	$ 782,609
Proceeds to us (before expenses)	$ 7.52	$ 12,260,871

The underwriter also may purchase up to an additional 244,565 shares of our common stock within 30 days of the date of this prospectus to cover over-allotments, if any.

We have entered into a firm commitment underwriting agreement with the underwriter.

The underwriter expects to deliver the common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about July 27, 2012.

RAYMOND JAMES

The date of this prospectus is July 23, 2012

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ABOUT THIS PROSPECTUS

It is important for you to read and consider all of the information contained in this prospectus before making your investment decision. You should rely only on the information contained in, or incorporated by reference into, this prospectus and any related free writing prospectus that we may file with the Securities and Exchange Commission (the "SEC"). We have not, and the underwriter has not, authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell our common stock in any jurisdiction in which the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover page of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock. Our business, financial condition and results of operations may have changed since that time.

In this prospectus, we rely on and refer to information and statistics regarding the banking industry and banking markets in South Carolina. We obtained this market data from independent publications or other publicly available information. Although we believe these sources are reliable, we have not independently verified and do not guarantee the accuracy and completeness of this information. In addition, the sources of the demographic information that we have included in our discussion of our market areas in this prospectus include United States Census Bureau, economic development authorities and chamber of commerce materials.

In this prospectus, we frequently use the terms "we", "our", "us", "First Community" and the "Company" to refer to First Community Corporation, First Community Bank, N.A., and other subsidiaries which we own as a combined entity, except where it is clear that the terms mean only First Community Corporation. We also use the term the "bank" to refer to First Community Bank, N.A. To understand the offering fully and for a more complete description of the offering, you should read this entire document carefully, including particularly the "Risk Factors" section beginning on page 15.

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

Certain statements included in this prospectus or in the documents incorporated by reference in this prospectus, other than statements of historical fact, are forward-looking statements (as such term is defined in Section 27A of the Securities Act of 1933 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), and the regulations promulgated thereunder), which are intended to be covered by the safe harbors created thereby. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of our management and on information available at the time these statements and disclosures were prepared. Forward-looking statements include, but are not limited to:

- certain statements contained in "Risk Factors" in this prospectus and our Annual Report on Form 10-K for the year ended December 31, 2011;
- certain statements contained in "Business" in our Annual Report on Form 10-K for the year ended December 31, 2011;
- certain statements contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and notes to our financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011 and Quarterly

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Report on Form 10-Q for the quarter ended March 31, 2012 concerning the allowance for loan losses, liquidity, capital adequacy requirements, unrealized losses and impact of accounting pronouncements; and

certain statements as to trends or events, or First Community Corporation's or our management's beliefs, expectations, objectives, plans, goals, intentions, estimates, projections and opinions.

These statements are included throughout this prospectus, and in the documents incorporated by reference in this prospectus, and relate to, among other things, projections of revenues, earnings, earnings per share, cash flows, capital expenditures, or other financial items, expectations regarding acquisitions, discussions of estimated future revenue enhancements, potential dispositions, and changes in interest rates. These statements also relate to our business strategy, goals and expectations concerning our market position, future operations, margins, profitability, liquidity, and capital resources. The words "believe", "anticipate", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", and similar terms and phrases identify forward-looking statements in this prospectus and in the documents incorporated by reference in this prospectus.

Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a number of factors. Some of the risks, uncertainties and other factors that may cause actual results, developments and business decisions to differ materially from those anticipated by such forward-looking statements include the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2011 and the following:

reduced earnings due to higher credit losses generally and specifically because losses in the sectors of our loan portfolio secured by real estate are greater than expected due to economic factors, including, but not limited to, declining real estate values, increasing interest rates, increasing unemployment, or changes in payment behavior or other factors;

the amount of our loan portfolio collateralized by real estate and weaknesses in the real estate market;

restrictions or conditions imposed by our regulators on our operations may make it more difficult for us to achieve our goals;

the adequacy of the level of our allowance for loan losses and the amount of loan loss provisions required in future periods;

results of examinations by our regulatory authorities, including the possibility that the regulatory authorities may, among other things, require us to increase our allowance for loan losses or write-down assets;

reduced earnings due to higher other-than-temporary impairment charges resulting from additional decline in the value of our securities portfolio, specifically as a result of increasing default rates, and loss severities on the underlying real estate collateral;

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significant increases in competitive pressure in the banking and financial services industries;

changes in the interest rate environment which could reduce anticipated or actual margins;

changes in political conditions or the legislative or regulatory environment, including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and regulations adopted thereunder, changes in federal and/or state tax laws or interpretations thereof by taxing authorities, changes in laws, rules or regulations applicable to companies that have participated in the United States Department of the Treasury's (the "U.S. Treasury") Capital Purchase Program (the "CPP"), and other governmental initiatives affecting the financial services industry;

general economic conditions, either nationally or regionally and especially in our primary service area, being less favorable than expected resulting in, among other things, a deterioration in credit quality;

changes occurring in business conditions and inflation;

increased funding costs due to market illiquidity, increased competition for funding, and/or increased regulatory requirements with regard to funding;

changes in deposit flows;

changes in technology;

changes in monetary and tax policies, including confirmation of the income tax refund claims received by the Internal Revenue Service ("IRS");

changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board and the Financial Accounting Standards Board;

the rate of delinquencies and amounts of loans charged-off;

the rate of loan growth in recent years and the lack of seasoning of a portion of our loan portfolio;

our ability to maintain appropriate levels of capital and to comply with our higher individual minimum capital ratios;

our ability to attract and retain key personnel;

our ability to retain our existing clients, including our deposit relationships;

adverse changes in asset quality and resulting credit risk-related losses and expenses;

loss of consumer confidence and economic disruptions resulting from terrorist activities; and

other risks and uncertainties described under "Risk Factors" below.

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Because of these and other risks and uncertainties, our actual future results may be materially different from the results indicated by any forward-looking statements. In addition, our past results of operations do not necessarily indicate our future results. Therefore, we caution you not to place undue reliance on our forward-looking information and statements. We undertake no obligation to update or otherwise revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information requirements of the Securities Exchange Act of 1934 and we file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room facility located at 100 F Street, NE, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains an Internet site at *www.sec.gov* that contains reports, proxy and information statements and other information regarding issuers, including us, that file documents with the SEC electronically through the SEC's electronic data gathering, analysis and retrieval system known as EDGAR.

This prospectus is part of a registration statement on Form S-1 filed by us with the SEC. You may review the registration statement and the exhibits filed with such registration statement for further information regarding us and the shares of our common stock being sold by this prospectus at the public reference facility of the SEC at the locations described above.

The SEC allows us to incorporate by reference information we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below, except to the extent that any information contained in such filings is deemed "furnished" in accordance with SEC rules:

- Our Annual Report on Form 10-K for the year ended December 31, 2011;

- Quarterly Report on Form 10-Q for the quarter ended March 31, 2012; and

- Our Current Reports on Form 8-K filed with the SEC on January 3, 2012, January 19, 2012, April 18, 2012, May 18, 2012, May 21, 2012, July 2, 2012, and July 12, 2012 (with respect to Item 8.01 only).

Any statement contained in a document that is incorporated by reference will be modified or superseded for all purposes to the extent that a statement contained in this prospectus modifies or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this prospectus except as so modified or superseded.

Our Internet address is *www.firstcommunitysc.com*. We make available on our website, free of charge, our periodic and current reports, proxy and information statements and other information we file with the SEC and amendments thereto as soon as reasonably practicable after we file such material with, or furnish such material to, the SEC, as applicable. After accessing the website, the filings are available upon selecting the "Investors" menu items. The contents of the website are not incorporated into this prospectus or into our other filings with the SEC.

In addition, upon request, we will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the reports or documents that have been incorporated by reference in the prospectus contained in the registration statement, but not

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delivered with the prospectus. You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing to, telephoning or e-mailing us at the following address, telephone number and e-mail address:

First Community Corporation
Attn: Joseph G. Sawyer
5455 Sunset Boulevard
Lexington, South Carolina 29072
(803) 951-2265
InvestorRelations@firstcommunitysc.com

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus. Because this is a summary, it may not contain all of the information that may be important to you. Therefore, you should read this entire prospectus carefully before making a decision to invest in our common stock, including the risks discussed under the "Risk Factors" section and our financial statements and related notes.

The Company

First Community Corporation is a bank holding company headquartered in Lexington, South Carolina. Our wholly-owned subsidiary, First Community Bank, N.A., operates 11 branches in the Midlands area of South Carolina, with six branches in Lexington County, two branches in Newberry County, two branches in Richland County and one branch in Kershaw County. We are a community-oriented financial institution that offers a wide-range of traditional banking products and services for small to medium sized businesses, professionals and other individuals in our markets, including commercial and consumer loan and deposit services, as well as mortgage, financial planning and investment services. We seek to be the provider of choice for financial solutions to customers in our markets who value exceptional personalized service and local decision making.

We commenced operations in 1995 and have expanded through a combination of organic growth and selective acquisitions. As of March 31, 2012, we had total assets of $601.5 million, total gross loans of $331.1 million, total deposits of $476.9 million and total shareholders' equity of $49.3 million. As of March 31, 2012, approximately 70.7% of our outstanding loans were secured by commercial real estate. Net income for the three months ended March 31, 2012 was $799 thousand compared to $570 thousand for the three months ended March 31, 2011, an increase of 40.2%. For the three months ended March 31, 2012, net income available to common shareholders was $630 thousand compared to $403 thousand during the first three months of 2011, an increase of 56.3%. Diluted earnings per share for the first three months of 2012 were $0.19, compared to $0.12 over the same period in 2011, an increase of 58.3%. At March 31, 2012, our Tier 1 leverage capital ratio was 9.77%, Tier 1 risk-based capital ratio was 15.65% and total risk-based capital ratio was 17.57%.

We believe that our core lending and deposit business segments have performed well in a very challenging economic environment that began in 2008. As of March 31, 2012, we had non-performing assets of $10.8 million which represented 1.79% of total assets. Management believes that the Company is well positioned to build on its core performance to grow profitably going forward.

Following a recent on-site examination of the bank, the Office of the Comptroller of the Currency (the "OCC") notified the bank that, effective June 28, 2012, the bank is no longer subject to the Formal Agreement that it entered into with the OCC in 2010. In addition, the Federal Reserve Bank of Richmond (the "Federal Reserve") has notified the Company that, effective July 10, 2012, the Company is no longer subject to the Memorandum of Understanding that it had entered into with the Federal Reserve in December of 2011 (which had terminated and replaced a Memorandum of Understanding entered into in June of 2010) (the "MOU").

Our Management Team

Our executive management team consists of five seasoned banking professionals who have 150 years of combined experience with an average of 30 years experience each in the financial

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services industry. All five members of our executive management team have been with us since we commenced operations in 1995, and four of the members of our executive management team worked together at another bank before we commenced operations. In addition, four members of our executive management team have worked in the Midlands area of South Carolina for their entire careers. We believe that our executive officers' experience and local market knowledge are valuable assets in turbulent economic times, and will enable them to guide the Company successfully in the future.

The executive management team of First Community consists of:

Name	Position	Years of Experience
Michael C. Crapps	President & Chief Executive Officer	32
Joseph G. Sawyer	Senior Vice President Chief Financial Officer	38
David K. Proctor	Senior Vice President Senior Credit Officer	32
J. Ted Nissen	Senior Vice President Commercial and Retail Banking Executive	27
Robin D. Brown	Senior Vice President Director of Marketing/Human Resources	21

Our Markets

We operate in the counties of Lexington, Richland, Kershaw and Newberry, South Carolina. These counties, which we refer to as the "Midlands" region of South Carolina, had an aggregate population of 756,664 and total deposits of approximately $13.6 billion as of June 30, 2011. Lexington County, which is home to six of our bank's branch offices, had a population of 267,167 and total deposits of $3.2 billion as of June 30, 2011. As of June 30, 2011, $235.0 million, or 49.7%, of our total deposits were located in Lexington County. Richland County, in which we have two branches, is the largest county in South Carolina with a population of 384,474 and total deposits of $9.4 billion as of June 30, 2011. Columbia, which is located within Richland County, is South Carolina's capital city and is geographically positioned in the center of the state between the industrialized Upstate region of South Carolina and the coastal city of Charleston, South Carolina. Intersected by three major interstate highways (I-20, I-77 and I-26), Columbia's strategic location has contributed greatly to its commercial appeal and growth.

We serve attractive banking markets with long-term growth potential and a well educated employment base that helps to support our diverse and relatively stable local economy. The principal components of the economy within our market areas are service industries, government and education, and wholesale and retail trade. The largest employers in our market area, each of which employs in excess of 3,000 people, are Fort Jackson Army Base, the University of South Carolina, Palmetto Health Alliance, Blue Cross Blue Shield and SCANA Corporation. In addition, Amazon.com recently opened a distribution center in Lexington County that is expected to add approximately 2,000 full-time jobs to our market area. In January 2011, AQT Solar announced that the company will locate its second manufacturing facility in Richland County, which is expected to create 1,000 new jobs. In October 2011, Nephron Pharmaceuticals Corporation announced that the company will locate a new manufacturing facility in Lexington County that is expected to generate 707 new jobs. In February 2012, Verizon Wireless announced that it plans to construct a new call center in Richland County that is expected to add approximately 500 new jobs to our market area. In April 2012, Aflac announced that it intends to add 450 jobs to its Richland County operations, and Michelin announced that it will add 270 jobs in connection the expansion of its Lexington County plant, which is expected to bring the total number of Michelin workers in Lexington County to 2,200.

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The Company believes that this diversified economic base has reduced, and will likely continue to reduce, economic volatility in our market areas. Our markets have experienced steady economic and population growth over the past 10 years, and we expect that the area will continue to grow and develop economically.

We believe that Lexington and Richland Counties, in particular, will provide meaningful growth opportunities for us. As of March 31, 2012, Lexington County had an unemployment rate of 6.8%, which was the lowest unemployment rate of any county in South Carolina and compared to an average of 8.9% for the state of South Carolina and 8.2% for the United States. As of June 30, 2011, Lexington County had a median household income of $50,321, compared to $41,607 for the state of South Carolina and $50,227 for the United States. Further, projected population and median household income growth through 2016 in Lexington County are expected to be 8.9% and 11.1%, respectively, compared to 3.4% and 14.6% for the United States, respectively. As of March 31, 2012, Richland County has an unemployment rate of 7.8%. As of June 30, 2011, Richland County had household income of $47,233. Further, projected population and median household income growth in Richland County are expected to be 7.1% and 14.4%, respectively, through 2016.

Competitive Strengths

We believe that the following business strengths have been instrumental to the success of our core operations and will enable us to continue profitable growth and to maximize value to our shareholders, while remaining fundamentally sound.

Franchise Value Built on Relationships. First Community is dedicated to being the provider of choice for financial solutions to local businesses, professionals and other individuals in our markets who want to bank with an institution that offers local decision making and individualized service. We believe that we present a natural alternative to the larger regional and national competitors for customers who prefer "high touch" customer service and that our service level is valued by our customers. We believe that this business philosophy enables us to build long-term relationships with desirable customers, which enhances the quality and stability of our funding and lending operations.

First Community was recognized in each of the past four years as one of the Best Places to Work in South Carolina by the South Carolina Chamber of Commerce. We believe that our work environment appeals to the type of employees who provide the kind of customer care that our customers and target market desire.

Strong Credit Quality. We emphasize a disciplined credit culture based on intimate customer and market knowledge and sound underwriting standards. The results of our focus on credit quality are evidenced by a ratio of non-performing assets to total assets of 1.79% at March 31, 2012 and 2.15% at December 31, 2011, and a net charge-offs to average total loans ratio of 0.22% annualized for the three months ended March 31, 2012 and 0.50% for the year ended December 31, 2011. Our ratio of allowance for loan losses to total loans was 1.43% at March 31, 2012 and 1.45% at December 31, 2011, while our ratio of allowance for loan losses to non-performing loans was 87.8% at March 31, 2012 and 86.6% at December 31, 2011. While the challenging operating environment in 2008 and 2009 contributed to an increase in charge-offs and non-performing assets, management believes that these metrics are currently at manageable levels and that they compare favorably to the averages for publicly traded banks and thrifts in South Carolina.

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Strong Capital Position. Our capital position is strong and has improved every quarter since the first quarter of 2010. At March 31, 2012, our Tier 1 leverage capital ratio was 9.77%, our Tier 1 risk-based capital ratio was 15.65% and our total risk-based capital ratio was 17.57%. We exceed the regulatory guidelines to be classified "well capitalized." We believe that our capital position enhances our ability to grow organically because it enables the Company to continue lending and to remain focused on our customers' needs.

Core Funding Strength. Customer deposits are our primary source of funds and, as of December 31, 2011 and March 31, 2012, we had no brokered deposits. Core deposits, which exclude certificates of deposit of $100,000 or more comprised approximately 83.1% and 82.4% of our total deposits at March 31, 2012 and December 31, 2011, respectively. Approximately 57.0% of total deposits at March 31, 2012 were non-interest bearing, NOW, money market and savings accounts, which we refer to as "pure" deposits. Our pure deposits grew by $17.9 million to $272.0 million at March 31, 2012 from $254.1 million at December 31, 2011. Increasing pure deposits is a key focus of our management team as these funding sources typically result in lower interest expense on our total deposit base. We believe our focus on generating low-cost deposits, which is supported by our established and attractive franchise, differentiates us from many of our competitors, particularly those banks that have used brokered deposits and certificates of deposit as a primary source of funding. A stable base of core deposits is expected to continue to be the primary source of funding to meet both our short-term and long-term liquidity needs in the future.

Experience in Executing and Integrating Acquisitions. We have been a selective acquirer and integrator of banks and non-bank businesses. In 2001, we acquired one branch from DutchFork Bancshares, Inc., the parent company of Newberry Federal Savings Bank ("Newberry Federal"). In 2004, we completed our acquisition of DutchFork Bancshares and its subsidiary, Newberry Federal. In 2006, we acquired DeKalb Bankshares, Inc., the holding company for The Bank of Camden. In 2008, we acquired two Columbia, South Carolina-based financial planning and investment advisory firms, EAH Financial Group and Pooled Resources, LLC, and formed First Community Financial Consultants. In July 2011, we expanded our existing mortgage business with the acquisition of Palmetto South Mortgage Corporation ("Palmetto South"), a mortgage lender providing purchase money and refinance loans for borrowers in South Carolina. We believe that our experience in identifying, structuring and integrating acquisitions should better enable us to evaluate and, if strategically and financially accretive, pursue potential acquisition opportunities going forward.

Our Business Strategy

The Company is focused on growing business relationships and building core deposits, profitable loans and non-interest income. We believe that we have built a solid franchise that meets the financial needs of our clients by providing an array of personalized products and services delivered by seasoned banking professionals with decisions made at the local level. Our overall strategic goal is to provide the highest level of service to our customers and to be a high-performing financial institution. Our specific business strategies include:

Produce Profitable Organic Growth in a More Rational Competitive Environment. We believe that we can attract new customers and expand our total loans and deposits within our existing market areas without materially adding to our existing branch network or personnel. We currently employ 13 commercial lenders with over 226 years of combined experience generating loans and servicing customers in our markets. Some of our competitors have been weakened by the current economic crisis and are encouraging their customers to move to other institutions. Growing First Community from within will allow us to leverage our competitive strengths and take advantage of these market opportunities. This offering is primarily intended to enable us to replace our Series T Preferred Stock, and potentially the Warrants, issued to the U.S. Treasury pursuant to the Capital Purchase Program with the Tier 1 common equity raised in this offering. We believe that the Tier 1 common equity resulting from this offering will provide us with a more sound capital foundation upon which to prudently grow our balance sheet going forward.

Our strategy also includes net interest margin expansion and increasing profitability by changing the mix of assets on our balance sheet. As of March 31, 2012, we had an investment portfolio of $202.7 million which yielded 2.77% during the first quarter of 2012 compared to 5.66% for our loan portfolio. As we grow, we intend to partially fund new loans with cash flow received from our investment portfolio. Moving the cash flow of lower yielding securities into higher yielding loans will increase the spread between our cost of funds and yield on assets, resulting in an improved net interest margin and a more profitable financial institution.

In addition to organic growth within our markets, we also believe that we may be able to enter into new markets through selective de novo branch expansions as seasoned bankers become available as a result of the economic uncertainty currently facing many financial institutions in South Carolina. Our management team also intends to remain diligent in refining our business processes in order to increase our efficiency and profitability.

Acquire Banks or Banking Branches. We expect the persistent challenges presented by the economic climate coupled with the significant legislation and regulation enacted in response to the current economic crisis, along with increased compliance costs and an accelerated need for economies of scale, will encourage many financial institutions to seek a merger partner. Furthermore, many financial institutions are seeking to improve their capital ratios by selling branch locations and focusing on their core markets. While any acquisitions of banks or banking branches would require regulatory approvals, we believe that carefully priced, negotiated whole bank and/or branch acquisitions could increase our earnings and shareholder value, as well as expand our footprint into attractive new markets across South Carolina.

Grow Non-interest Income Lines of Businesses. Our strategy involves building and maintaining sustainable revenue and net income sources that are incremental to our bank's net interest income. We provide an array of products and services, including mortgage, financial planning and investment services, to our clients to meet their financial needs. During the past several years, we have successfully grown our non-interest income lines of business, both organically and through acquisitions. With the acquisition of Palmetto South in July 2011, we expanded our selection of mortgage loan products for home purchase or refinance in South Carolina. We also offer investment services through First Community Financial Consultants, a division we formed in 2008 concurrent with the acquisition of two financial planning and investment advisory firms. Our ancillary products and services drive non-interest income, adding diversity to our revenue base and increasing our overall profitability. These businesses also are generally less capital intensive and have variable cost expense structures, giving us flexibility to efficiently manage these operations to maximize overall return on shareholders' equity. Through the first three months of 2012, our non-interest income derived from customer activities as a percentage of operating revenue was 29.4%, which compares favorably to the average of 24.5% generated by all other publicly traded banks in South Carolina as of March 31, 2012. We believe that our efforts to enhance our banking operations by diversifying our revenue mix will result in increased non-interest income in the future.

Focus on Profitability. Our executive management team and the board of directors are dedicated to producing profits and returns for our shareholders. We actively manage the mix of assets and liabilities on our balance sheet to improve our net interest margin, a key driver of

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profitability. We have also continued to develop and grow non-interest income as well as focus on expense control. By striving to constantly improve our performance, we seek to increase profitability and improve our return on average assets and return on average equity. We have delivered profitable results for nine consecutive quarters, including the first quarter of 2012. Net income available to common shareholders for the first quarter of 2012 was $630 thousand, a 56.3% increase over the first quarter of 2011. Our 6.86% return on average common equity through the first three months of 2012 compares favorably to the 5.23% average return on average common equity for all publicly traded South Carolina banks that have reported earnings in the first quarter of 2012. We believe that, as the economy continues to improve and credit costs return to normalized levels, our focus on maximizing the Company's net interest margin and minimizing its efficiency ratio will translate into continued and improving profitability and shareholder returns. We are committed to enhancing these levels of profitability by focusing on our core competencies and believe that we have the infrastructure currently in place, such as technology, support staff and administration, to support expansion with limited associated overhead expense increases.

Maintain Financial Discipline. We are committed to being a high performing financial services company and will continue to expand our bank and non-bank businesses, but only in a disciplined manner. We will grow the loan portfolio, open new branches and consider new acquisitions only after rigorous due diligence and substantial quantitative analysis regarding the financial and capital impacts of such transactions. Our focus on credit risk management has enabled us to successfully grow our balance sheet while maintaining strong loan quality through our conservative underwriting practices. We will not reduce our credit standards or pricing discipline to generate new loans or make acquisitions. We believe that maintaining our financial discipline will generate long-term shareholder value.

Planned Repurchase of Our Preferred Stock Issued to the U.S. Treasury Pursuant to the Capital Purchase Program

On November 21, 2008, we issued $11.3 million of Fixed Rate Cumulative Preferred Stock, Series T ("Series T Preferred Stock") to the U.S. Treasury pursuant to the U.S. Treasury's CPP, together with a warrant to purchase up to 195,915 shares of our common stock at an initial exercise price of $8.69 per share (the "Warrant") (the "TARP Transaction"). Cumulative dividends on the Series T Preferred Stock accrue on the liquidation preference at a rate of 5% per annum until February 14, 2014, and at a rate of 9% per annum thereafter. We incurred approximately $567.5 thousand in annual dividends on the Series T Preferred Stock for each of the years ended December 31, 2011, 2010 and 2009, and this amount will increase to approximately $1.0 million in annual dividends if we do not repurchase the Series T Preferred Stock prior to February 15, 2014. Dividend payments on the Series T Preferred Stock adversely impact net income available to our common shareholders and earnings per common share.

In order to, among other things, decrease preferred stock dividends and in turn increase net income available to our common shareholders and earnings per common share, we intend to use a portion of the net proceeds of this offering to repurchase all of the Series T Preferred Stock and, potentially, the Warrant. We may seek to repurchase our Series T Preferred Stock through, among other methods, participation in a U.S. Treasury auction, privately negotiated transactions, and/or the exercise of the redemption right that we have under the terms of the Series T Preferred Stock. We have consulted with our banking regulators as to our intent to repurchase the Series T Preferred Stock, and we understand that the Treasury will also consult with these regulators upon receipt of notice from us of our intention to repurchase the Series T Preferred Stock. However, we cannot guarantee that the Treasury will grant approval of our repurchase of the Series T Preferred Stock or agree to a price for the Warrant that would be acceptable to the

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Company. If we repurchase all of the Series T Preferred Stock and the Warrant, these repurchases will require the use of all or substantially all of the net proceeds of this offering. If we were to conclude that we will not receive such approvals within a reasonable period of time, then we may decide to use the proceeds of this offering that would otherwise have been used for the repurchase of the Series T Preferred Stock and, potentially, the Warrant, instead for general corporate purposes, including contributing a portion of the proceeds to the bank as additional capital to support organic growth and, potentially, opportunistic acquisitions that meet our investment criteria. See "Use of Proceeds."

December 2011 Private Placement

In December 2011, we sold 2,500 Units (the "Units"), with each Unit consisting of an 8.75% Subordinated Note, due in 2019, $1,000 principal amount (collectively, the "Subordinated Notes"), and a warrant to purchase 43 shares of common stock of the Company at an exercise price equal to $5.90 per share, to certain accredited investors, including directors and executive officers of the company, in private placement for an aggregate purchase price of $2.5 million.

Proceeds from this offering were retained by the holding company (First Community Corporation). As of March 31, 2012, we had $3.2 million in cash at the holding company level, which cash was available to, among other things, fund dividend payments on our common and preferred stock, including the Series T Preferred Stock issued to the U.S. Treasury, interest payments on the Subordinated Notes and dividend payments on the trust preferred securities. Based on our current level of holding company dividend and interest payments and other expenses, and assuming net proceeds of $12.0 million from this offering and assuming the repurchase of our Series T Preferred Stock for $11.3 million, we believe that our cash at the holding company level is sufficient to fund such payments through approximately September 30, 2014.

Recent Developments

Regulatory Developments. Following a recent on-site examination of the bank, the OCC notified the bank that, effective June 28, 2012, the bank is no longer subject to the Formal Agreement that it entered into with the OCC on April 6, 2010. The Formal Agreement was based on the findings of the OCC during a 2009 on-site examination of the bank. As reflected in the Formal Agreement, the OCC's primary concern with the bank was driven by the rating agencies downgrades of non-agency mortgage backed securities ("MBSs") in its investment portfolio. These securities, purchased in 2004 through 2008, were all rated AAA by the rating agencies at the time of purchase; however, they were impacted by the economic recession and the stress on the residential housing sector and were subsequently downgraded, many to below investment grade. As of June 30, 2012, the bank had reduced the non-agency MBSs in its investment portfolio that are rated below investment grade to $1.7 million.

The OCC also notified the bank that, effective June 28, 2012, it is no longer subject to the Individual Minimum Capital Ratios established for the bank on February 24, 2010, which had required the bank to maintain a Tier 1 leverage capital ratio of at least 8.00%, a Tier 1 risk-based capital ratio of at least 10.00%, and a total risk-based capital ratio of at least 12.00%. The general regulatory minimums to be well-capitalized are a Tier 1 leverage capital ratio of at least 5.00%, a Tier 1 risk-based capital ratio of at least 6.00%, and a total risk-based capital ratio of at least 10.00%. These regulatory capital ratios for the bank were 9.93%, 16.62% and 17.88%, respectively, as of June 30, 2012. The bank is well-capitalized for regulatory purposes.

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In addition, the Federal Reserve notified the Company that, effective July 10, 2012, the Company is no longer subject to the MOU.

Preliminary Second Quarter Financial Results. On July 11, 2012, we announced our preliminary financial results for the quarter ended June 30, 2012. These results are unaudited and are subject to the risks and uncertainties relating to our business described under "Risk Factors" in this prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2011.

Net income available to common shareholders for the second quarter of 2012 was $760 thousand which was a 20.64% increase as compared to $630 thousand in the preceding quarter and a 36.20% increase as compared to $558 thousand in the second quarter of 2011. Diluted earnings per common share were $0.23 for the second quarter of 2012 as compared to $0.19 for the first quarter of 2012 and as compared to $0.17 in the second quarter of 2011.

Net income available to common shareholders for the six months ended June 30, 2012 was $1.4 million, which was a 44.64% increase as compared to $961 thousand during the first six months of 2011. Diluted earnings per common share were $0.42 for the first six months of 2012, as compared to $0.29 for the first six months of 2011.

During the second quarter of 2012, all of our regulatory capital ratios continued to increase as compared to the prior year. At June 30, 2012, the bank's Tier 1 leverage, Tier 1 risk-based capital, and total risk-based capital ratios were 9.93%, 16.62%, and 17.88%, respectively, and the Company's ratios were 9.94%, 16.64%, and 18.59%, respectively. By comparison, at June 30, 2011, the bank's Tier 1 leverage, Tier 1 risk-based capital, and total risk-based capital ratios were 8.75%, 14.21%, and 15.46%, respectively, and the Company's ratios were 8.98%, 14.57%, and 15.87%, respectively.

Non-performing assets continued to improve, decreasing to $9.55 million (1.60% of total assets) at the end of the second quarter, as compared to $10.8 million (1.80% of total assets) as of March 31, 2012. During the second quarter, non-accrual loans decreased from $5.4 million to $4.6 million, while other real estate owned ("OREO") decreased from $5.4 million to $4.6 million. Trouble debt restructurings, that are still accruing interest, increased to $4.1 million as of the end of the second quarter of 2012, compared to $3.1 million as of March 31, 2012. Loans past due 30-89 days decreased to $2.4 million (0.73% of loans) as of the end of the second quarter of 2012, compared to $3.3 million (0.98% of loans) as of March 31, 2012.

Net loan charge-offs for the second quarter of 2012 were $75 thousand (0.09% annualized ratio), as compared to the second quarter of 2011 total of $329 thousand (0.40% annualized ratio) and the first quarter 2012 total of $184 thousand (0.22% annualized ratio). The provision for loan losses was $71 thousand for the second quarter of 2012 compared to $390 thousand in the second quarter of 2011 and $230 thousand in the first quarter of 2012.

Classified loans showed a continued decrease, ending the quarter at $16.6 million. This compares to the December 31, 2011 amount of $17.8 million and the March 31, 2012 level of $16.8 million. The ratio of classified loans plus OREO was 32.75% of total regulatory risk-based capital as of June 30, 2012.

In the second quarter of 2012, the Company continued to move forward with its previously announced strategy of controlling the overall size of its balance sheet while improving the mix of both assets and liabilities. As of June 30, 2012, our level of non-agency mortgage backed

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securities rated below investment grade declined to $1.7 million, compared to $11.6 million as of March 31, 2012 and $13.3 million as of December 31, 2011.

During the second quarter of 2012, we continued to expand upon our pure deposits. At June 30, 2012, pure deposits totaled $307.9 million, compared to $304.3 million at March 31, 2012 from $286.8 million at December 31, 2011. At June 30, 2012, we continued to have no brokered deposits. As a result of continued emphasis on changes to our funding mix, the cost of funds, including non-interest bearing demand deposits, has declined to 1.03% during the second quarter of 2012, from 1.17% in the fourth quarter of 2011 and 1.14% in the first quarter of 2012.

Net interest income was $4.5 million for the second quarter of 2012, which represents a decrease as compared to $4.6 million in the second quarter of 2011. The net interest margin, on a tax equivalent basis, was 3.30% for the second quarter of 2012, which represents a decrease from 3.37% during the same period in 2011. These decreases are driven primarily by declining yields in the investment portfolio as the Company sold non-agency MBSs and replaced those investments with lower risk weighted investments earning lower yields. The Company has now substantially reduced its non-agency MBSs portfolio with only $1.7 million remaining at June 30, 2012 that were rated below investment grade by the rating agencies.

Non-interest income increased significantly by 52.3% to $1.9 million as compared to $1.2 million in the second quarter of 2011. This increase was led by the success in mortgage origination revenue increasing from $263 thousand in the second quarter of 2011 as compared to $877 thousand in second quarter of 2012. The acquisition of Palmetto South in July of 2011 continues to be beneficial and, in combination with the legacy mortgage unit, has resulted in increased mortgage origination fees.

Non-interest expense increased by $481 thousand (10.9%) to $4.9 million for the second quarter. This was driven primarily by increased salary and benefit costs in the mortgage unit and increased OREO expenses.

Our principal executive offices are located at 5455 Sunset Boulevard, Lexington, South Carolina 29072, and our telephone number is (803) 951-2265. Our primary internet address is www.firstcommunitysc.com. The information contained on our web site is not part of this prospectus. Our common stock trades on the NASDAQ Capital Market under the symbol "FCCO."

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The Offering

Issuer	First Community Corporation
Common stock offered by us, excluding the underwriter's over-allotment option	1,630,435 shares, $1.00 par value per share
Over-allotment option	We have granted the underwriter an option to purchase up to an additional 244,565 shares of common stock within 30 days of the date of this prospectus in order to cover over-allotments, if any.
Common stock outstanding prior to this offering	3,346,365 shares outstanding (1)
Common stock issued and outstanding after this offering, excluding the underwriter's over-allotment option	4,976,800 shares (1)
Use of proceeds	We expect to receive net proceeds from this offering of approximately $12.0 million, after deducting underwriting discounts and commissions and other estimated expenses (or approximately $13.9 million if the underwriter exercises its over-allotment option in full). We intend to use the proceeds of the offering to repurchase all of our Series T Preferred Stock and, potentially, the Warrant issued to the U.S. Treasury pursuant to the CPP, and to use any remainder for general corporate purposes, including contributing a portion of the proceeds to the bank as additional capital to support organic growth and, potentially, opportunistic acquisitions that meet our investment criteria. We may seek to repurchase our Series T Preferred Stock through, among other methods, participation in a U.S. Treasury auction, privately negotiated transactions, and/or the exercise of the redemption right that we have under the terms of the Series T Preferred Stock. The approval of the Treasury and our banking regulators is required for the redemption of our Series T Preferred Stock. We have consulted with our banking regulators as to our intent to repurchase the Series T Preferred Stock, and we understand that the Treasury will also consult with these regulators upon receipt of notice from us of our intention to repurchase the Series T Preferred Stock. We can make no assurances as to when, or if, we will receive such approvals. If we repurchase all of the Series T Preferred Stock and the Warrant, these repurchases will require the use of all or substantially all of the net proceeds of this offering. If we were to conclude that we will not receive such approvals within a reasonable period of time, then we may decide to use the proceeds of this offering that would otherwise have been used for the repurchase of the Series T Preferred Stock and, potentially, the Warrant, instead for general corporate purposes, including contributing a portion of the proceeds to the bank as additional capital to support organic growth and, potentially, opportunistic acquisitions that meet our investment criteria. See "Use of Proceeds."

Nasdaq Global Select Market symbol	FCCO
Risk Factors	Investing in our common stock involves risks. You should carefully consider the information under "Risk Factors" beginning on page 16 and the other information included in or incorporated by reference into this prospectus before making an investment decision.

(1) This information is based on shares outstanding as of June 30, 2012. The number of shares of common stock outstanding excludes: 75,022 shares of common stock issuable upon exercise of outstanding stock options as of June 30, 2012, with a weighted average exercise price of $16.69 per share; 196,000 shares of common stock issuable upon exercise of the Warrant, with an initial exercise price of $8.69 per share, held by the U.S. Treasury; and 107,500 shares of common stock issuable upon exercise of warrants, with an exercise price of $5.90 per share, held by certain accredited investors pursuant to the terms of a Subordinated Note and Warrant Purchase Agreement.

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SUMMARY FINANCIAL INFORMATION

The following summary financial information sets forth consolidated financial data for the periods and at the dates indicated. The summary financial data have been derived from our audited consolidated financial statements for each of the five years that ended December 31, 2011, 2010, 2009, 2008 and 2007 and from our unaudited consolidated financial statements for the three months ended March 31, 2012 and 2011. The operating data for the three months ended March 31, 2012 are not necessarily indicative of the results that might be expected for the full year. You should read the detailed information and the financial statements included elsewhere or incorporated by reference in the prospectus.

	As of or For the Three Months Ended March 31,		As of or For the Years Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(in thousands except ratios and per share amounts)						
Balance Sheet Data:							
Total assets	$ 601,501	$ 607,314	$ 593,887	$ 599,023	$ 605,827	$ 650,233	$ 565,613
Loans held for sale	3,863		3,725				
Loans	331,090	334,156	324,311	329,954	344,187	332,964	310,028
Deposits	476,873	465,983	464,585	455,344	449,576	423,798	405,855
Total common shareholders' equity	38,143	31,455	36,759	30,762	30,501	57,306	63,996
Total shareholders' equity	49,307	42,515	47,896	41,797	41,440	68,156	63,996
Average shares outstanding, basic	3,308	3,272	3,287	3,262	3,252	3,203	3,234
Average shares outstanding, diluted	3,329	3,272	3,287	3,262	3,252	3,203	3,284
Results of Operations:							
Interest income	$ 6,044	$ 6,440	$ 25,526	$ 27,511	$ 30,981	$ 33,008	$ 30,955
Interest expense	1,535	1,986	7,209	9,374	13,104	15,810	15,665
Net interest income	4,509	4,454	18,317	18,137	17,877	17,198	15,290
Provision for loan losses	230	360	1,420	1,878	3,103	2,129	492
Net interest income after provision for loan losses	4,279	4,094	16,897	16,259	14,774	15,069	14,798
Non-interest income (loss)	1,452	1,293	5,710	3,017	3,543	(10,056)	4,968
Securities gains (losses)	11	134	575	827	1,489	(28)	49
Non-interest expense	4,612	4,723	18,401	17,684	16,580	15,539	14,125
Impairment of goodwill					27,761		
Income (loss) before taxes	1,130	798	4,781	2,419	(24,535)	(10,554)	5,690
Income tax expense (benefit)	331	228	1,457	565	696	(3,761)	1,725
Net income (loss)	799	570	3,324	1,854	(25,231)	(6,793)	3,965
Amortization of warrants	27	25	102	96	89	9	
Preferred stock dividends, including discount accretion	142	142	568	568	567	62	
Net income (loss) available to common shareholders	630	403	2,654	1,190	(25,887)	(6,864)	3,965

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	As of or For the Three Months Ended March 31,		As of or For the Years Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(in thousands except ratios and per share amounts)						
Per Share Data:							
Basic earnings (loss) per common share	$ 0.19	$ 0.12	$ 0.81	$ 0.36	$ (7.95)	$ (2.14)	$ 1.23
Diluted earnings (loss) per common share	0.19	0.12	0.81	0.36	(7.95)	(2.14)	1.21
Book value per common share at period end	11.52	9.61	11.11	9.41	9.38	17.76	19.93
Tangible book value per common share at period end	11.25	9.39	10.83	9.14	8.92	8.50	10.67
Dividends per common share	0.04	0.04	0.16	0.16	0.24	0.32	0.27
Asset Quality Ratios:							
Non-performing assets to total assets (1)	1.80%	2.16%	2.16%	2.20%	1.38%	0.39%	0.22%
Non-performing loans to period end loans	1.64%	1.56%	1.67%	1.90%	1.50%	0.54%	0.36%
Net charge-offs to average loans	0.06%	0.19%	0.50%	0.54%	0.84%	0.34%	0.06%
Allowance for loan losses to period-end total loans	1.43%	1.39%	1.45%	1.49%	1.41%	1.38%	1.14%
Allowance for loan losses to non-performing assets	87.6%	89.3%	35.83%	37.39%	58.21%	178.53%	286.06%
Selected Ratios:							
Return on average assets:							
GAAP earnings (loss)	0.43%	0.27%	0.44%	0.20%	(3.90)%	(1.10)%	0.72%
Operating earnings (2)	0.43%	0.27%	0.44%	0.20%	0.39%	0.48%	0.72%
Return on average common equity:							
GAAP earnings (loss)	6.86%	5.31%	7.98%	3.73%	(49.66)%	(11.11)%	6.20%
Operating earnings (loss) (2)	6.86%	5.31%	7.98%	3.73%	4.98%	4.82%	6.20%
Return on average tangible common equity:							
GAAP earnings (loss)	7.03%	5.45%	8.16%	3.87%	(89.13)%	(21.60)%	11.83%
Operating earnings (loss) (2)	7.03%	5.45%	8.16%	3.87%	8.94%	9.37%	11.83%
Efficiency ratio (2)(3)	74.48%	82.01%	75.55%	73.07%	73.47%	72.74%	68.41%
Non-interest income to operating revenue (2)(4)	24.50%	24.26%	25.55%	17.48%	21.97%	19.78%	24.71%
Net interest margin	3.34%	3.30%	3.33%	3.26%	3.10%	3.16%	3.21%
Equity to assets	8.10%	7.00%	8.06%	6.97%	6.84%	10.48%	11.31%
Tangible common shareholders' equity to tangible assets (2)	6.20%	5.07%	6.04%	5.00%	4.80%	4.42%	6.39%
Tier 1 risk-based capital	15.65%	14.15%	15.33%	13.73%	12.41%	12.58%	13.66%
Total risk-based capital	17.57%	15.20%	17.25%	14.99%	13.56%	13.73%	14.61%
Tier 1 leverage capital	9.77%	8.90%	9.40%	8.79%	8.41%	8.28%	9.31%
Average loans to average deposits	70.43%	72.38%	70.59%	73.53%	76.99%	75.45%	73.45%

(1) Includes non accrual loans, loans greater than 90 days delinquent and still accruing interest and other real estate owned.

(2) Constitutes a non-GAAP financial measure. Please see "Reconciliation of Non-GAAP Financial Measures" below.

(3) The efficiency ratio is a key performance indicator in our industry. The ratio is computed by dividing non-interest expense, less goodwill impairment, by the sum of net interest income on a tax equivalent basis and non-interest income, net of any securities gains or losses and other-than-temporary-impairment ("OTTI") on securities. It is a measure of the relationship between operating expenses and earnings.

(4) Operating revenue is defined as net interest income plus non-interest income, excluding OTTI related to the write-down of Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") preferred shares in 2008.

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Reconciliation of Non-GAAP Financial Measures

Certain financial information included in the "Summary Financial Information" above is determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). These non-GAAP financial measures include "efficiency ratio," "tangible book value at period end," and "tangible common shareholders' equity to tangible assets." The "efficiency ratio" is defined as non-interest expense, less goodwill impairment, 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. "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 the non-GAAP measures below 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. These non-GAAP measures should not be considered as an alternative to any measure of performance as promulgated under GAAP, and investors should consider the OTTI charges related to Freddie Mac preferred stock in 2008 and goodwill impairment in 2009, when assessing the performance of the Company. 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.

The following is a reconciliation for the five years ended December 31, 2011 and three months ended March 31, 2012 and 2011, of net income (loss) as reported for GAAP and the non-GAAP measure referred to throughout our discussion of "operating earnings."

	As of or For the Three Months Ended March 31,		As of or For theYears Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(dollars in thousands)						
Net income (loss), as reported (GAAP)	$ 799	$ 570	$ 3,324	$ 1,854	$ (25,231)	$ (6,793)	$ 3,965
Add: Income tax expense (benefit)	331	228	1,457	565	696	(3,761)	1,725
	1,130	798	4,781	2,419	(24,535)	(10,554)	5,690
Non-operating items:							
Goodwill impairment					27,761		
Other-than-temporary-impairment on FHLMC preferred shares						14,325	
Pre-tax operating earnings	1,130	798	4,781	2,419	3,226	3,771	5,690
Related income tax expense	331	228	1,457	565	696	825	1,725
Operating earnings (net income, excluding non operating items)	$ 799	$ 570	$ 3,324	$ 1,854	$ 2,530	$ 2,946	$ 3,965

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The following is a reconciliation for the five years ended December 31, 2011 and three months ended March 31, 2012 and 2011, of non-interest income (loss) as reported for GAAP and the non-GAAP measure referred to throughout our discussion regarding non-interest income (loss).

	As of or For the Three Months Ended March 31,		As of or For the Years Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(dollars in thousands)						
Non-interest income (loss), as reported (GAAP)	$ 1,463	$ 1,427	$ 6,285	$ 3,844	$ 5,032	$ (10,084)	$ 5,017
Non-operating items:							
Other-than-temporary-impairment charge						14,325	
Operating non-interest income	$ 1,463	$ 1,427	$ 6,285	$ 3,844	$ 5,032	$ 4,241	$ 5,017

The following is a reconciliation for the five years ended December 31, 2011 and three months ended March 31, 2012 and 2011, of non-interest expense as reported for GAAP and the non-GAAP measure referred to throughout our discussion regarding non-interest expense.

	As of or For the Three Months Ended March 31,		As of or For the Years Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(dollars in thousands)						
Non-interest expense, as reported (GAAP)	$ 4,612	$ 4,723	$ 18,401	$ 17,684	$ 44,341	$ 15,539	$ 14,125
Non-operating items:							
Impairment of goodwill					$ 27,761		
Operating non-interest expense	$ 4,612	$ 4,723	$ 18,401	$ 17,684	$ 16,580	$ 15,539	