

# **PUBLIC DISCLOSURE**

May 17, 2017

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Community Bank  
Certificate Number: 34047

5455 Sunset Boulevard  
Lexington, South Carolina 29072

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Atlanta Regional Office

Ten 10<sup>th</sup> Street, Northwest, Suite 800  
Atlanta, Georgia 30309-3849

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

First Community Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test and Community Development Test performance.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs
- The bank made a majority of the loans reviewed inside the combined assessment area.
- The bank's geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- The bank's distribution of borrowers reflects a reasonable penetration of loans to individuals of different income levels and businesses of different sizes.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

- The institution demonstrated a generally adequate responsiveness to the community development needs of its assessment areas. The institution met those needs through an excellent level of community development loans, marginally qualified investments, and adequate community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in its assessment areas.

- Nine participation loans totaling \$8,024,617 originated through the SSBCI Loan Program in partnership with the BDC of SC. First Community Bank's share of these loans at the time of origination was \$6,589,376. The loans were used to facilitate job creation and/or retention primarily for low- and moderate-income individuals. Detailed below is a brief discussion of the purpose of the loans originated through this program:
  - Purchase and renovate a commercial building from which an insurance business operates. Seven jobs were retained and four new jobs were created, many of which include office support personnel (Richland County - Columbia AA).
  - Purchase commercial real estate to provide office space for a commercial maintenance business. Two jobs were retained as a result of the loan (Richland County - Columbia AA).
  - Purchase and renovate a commercial building to expand a fitness and athletic training business. Ten new jobs were created and 16 jobs were retained as a result of the loan (Lexington County - Columbia AA).
  - Purchase and renovate a commercial building to expand a medical practice. Seven jobs were retained (Richland County - Columbia AA).
  - Purchase new equipment used by a Columbia-based biotech company (two loans). Eight jobs were retained and eight jobs were created (Richland County - Columbia AA).
  - Fund the construction of an automotive body repair shop. Ten jobs were created (Lexington County - Columbia AA).
  - Purchase and renovate a commercial structure to expand an automobile repair and refinishing business (two loans) - five new jobs were created as a result of the loan (Lexington County - Columbia AA).
- One loan totaling \$4,860,000 originated through the SBA's 504 Loan Program. The loan funded the construction of an office, warehouse, and manufacturing facility for a business that manufactures signage products used in the banking industry. The loan created or retained jobs for 105 people, the majority of whom have incomes at the low- and moderate-income level. The business and structures funded by this credit facility are located in Lexington County, SC (Columbia AA).
- A \$600,000 participation in a \$12,800,000 million loan to a Certified Community Development Financial Institution (CDFI). The entity provides a financing source for small businesses statewide, which helps to facilitate job creation within SC, which includes the institution-wide AA.
- A loan renewal totaling \$1,800,000 to an affordable housing foundation whose mission is to

provide safe and secure living environments for seniors in low- and moderate-income housing facilities, especially HUD facilities. This loan benefitted the institution-wide AA.

### *Calendar Year 2017 (YTD)*

- One participation loan totaling \$870,000 originated through the SSBCI Loan Program in partnership with the BDC of SC. First Community Bank's share of the loan at the time of origination was \$696,000. The loan provides financing in connection with the renovation and purchase of real estate and equipment for an expanding medical practice. Three office support jobs were created as a result of the loan. The medical practice is in Lexington County, SC (Columbia AA).
- Pro-rata share of \$1,055,000 on a loan totaling \$5,000,000 to refinance a loan secured by a 180-unit apartment complex located in Augusta, GA (Richmond County - Augusta AA). The mixed-income apartment complex is located in a middle-income geography that is contiguous to a moderate-income census tract located to the southeast. While none of the tenants receive Section 8 rental subsidies, 38 of the units are currently rented at rates that range from 70.0 percent to 90.0 percent of the gross median rent for the geography. The pro-rata credit to the institution has been calculated based on the percentage of units leased within this range, i.e. 21.1 percent multiplied by the original loan amount - \$5,000,000.
- One loan totaling \$150,000 to provide working capital to a non-profit organization that provides social services to children and other youth who have been victims of abuse or domestic violence. The primary beneficiaries of the services are children and youth from low- and moderate-income families in Aiken County, SC (Augusta AA). The organization is funded largely from Medicaid reimbursements.

### **Qualified Investments**

First Community Bank's qualified investments remain marginally adequate relative to the responsiveness to the community development needs within the combined AA. Qualified investments made since the previous CRA evaluation consist of an investment in a business development corporation, donations/grants to community development organizations, and two prior period investments.

During the evaluation period, the bank made one qualified investment totaling \$1,026,575, which included an investment in a business development corporation totaling \$1,000,000 and 62 donations totaling \$26,575. Also, two qualified investments totaling \$1,515,154 were carried forward from the prior CRA evaluation. As of March 31, 2017, qualified investments totaled \$2,541,729 and equates to 0.3 percent of total assets, 1.0 percent of total securities, and 2.7 percent of tier one capital. This level of investment activity decreased in terms of dollar volume and percent of total assets and securities compared to the last evaluation. At the previous evaluation, qualified investments totaled \$3,830,000 and the percentages were 0.5 percent of total assets and 1.6 percent of total securities.