

FIRST COMMUNITY CORP /SC/
Form 10-Q
August 08, 2018

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 June 30, 2018

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

(State or other jurisdiction of incorporation

or organization)

57-1010751

(I.R.S. Employer
Identification No.)

5455 Sunset Boulevard, Lexington, South Carolina 29072

(Address of principal executive offices) (Zip Code)

(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, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a 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 stock, as of the latest practicable date: On August 8, 2018, 7,605,053 shares of the issuer's common stock, par value \$1.00 per share, were issued and outstanding.

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PART I - FINANCIAL INFORMATION**Item 1. Financial Statements****FIRST COMMUNITY CORPORATION****CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands, except par value)	June 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
Cash and due from banks	\$ 16,147	\$ 14,803
Interest-bearing bank balances	28,195	15,186
Federal funds sold and securities purchased under agreements to resell	603	602
Investment securities - held-to-maturity	16,261	17,012
Investment securities - available-for-sale	255,513	264,824
Other investments, at cost	1,956	2,559
Loans held for sale	6,969	5,093
Loans	684,333	646,805
Less, allowance for loan losses	6,087	5,797
Net loans	678,246	641,008
Property, furniture and equipment - net	34,613	36,103
Bank owned life insurance	25,403	25,413
Other real estate owned	1,824	1,934
Intangible assets	2,284	2,569
Goodwill	14,562	14,589
Other assets	9,573	9,036
Total assets	\$ 1,092,149	\$ 1,050,731
LIABILITIES		
Deposits:		
Non-interest bearing	\$ 239,744	\$ 226,546
Interest bearing	693,624	661,777
Total deposits	933,368	888,323
Securities sold under agreements to repurchase	28,203	19,270
Federal Home Loan Bank advances	241	14,250
Junior subordinated debt	14,964	14,964
Other liabilities	8,376	8,261
Total liabilities	985,152	945,068
SHAREHOLDERS' EQUITY		
Preferred stock, par value \$1.00 per share, 10,000,000 shares authorized; none issued and outstanding	—	—
Common stock, par value \$1.00 per share; 10,000,000 shares authorized; issued and outstanding 7,605,053 at June 30, 2018 7,587,938 at December 31, 2017	7,605	7,588
Common stock warrants issued	46	46
Nonvested restricted stock	(262) (109

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Additional paid in capital	94,867	94,516
Retained earnings	8,263	4,066
Accumulated other comprehensive loss	(3,522)	(444)
Total shareholder's equity	106,997	105,663
Total liabilities and shareholders' equity	\$ 1,092,149	\$ 1,050,731

See Notes to Consolidated Financial Statements

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FIRST COMMUNITY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands)	Six Months Ended June 30, 2018 (Unaudited)	Six Months Ended June 30, 2017 (Unaudited)
Interest income:		
Loans, including fees	\$ 15,697	\$ 12,567
Taxable securities	2,373	1,935
Non taxable securities	899	942
Federal funds sold and securities purchased under resale agreements	170	36
Other	11	17
Total interest income	19,150	15,497
Interest expense:		
Deposits	1,185	882
Federal funds sold and securities sold under agreement to repurchase	101	21
Other borrowed money	391	484
Total interest expense	1,677	1,387
Net interest income	17,473	14,110
Provision for loan losses	231	194
Net interest income after provision for loan losses	17,242	13,916
Non-interest income:		
Deposit service charges	886	668
Mortgage banking income	1,967	1,918
Investment advisory fees and non-deposit commissions	784	572
Gain (loss) on sale of securities	(10) 226
Gain on sale of other assets	37	88
Loss on early extinguishment of debt	—	(281
Other	1,878	1,431
Total non-interest income	5,542	4,622
Non-interest expense:		
Salaries and employee benefits	9,458	8,347
Occupancy	1,197	1,066
Equipment	779	952
Marketing and public relations	283	519
FDIC assessments	164	156
Other real estate expense	49	56
Amortization of intangibles	285	149
Merger expenses	—	98
Other	3,604	