

June 3, 2022

James P. Sheesley
Assistant Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

RE: Statement of Principles for Climate-Related Financial Risk Management for Large Financial Institutions; Comment Request (RIN 3064-ZA32)

Dear Mr. Sheesley:

Thank you for the opportunity to comment on the draft principles on Climate-related Financial Risk Management (RIN 3064-ZA32). While we understand that the draft principles are currently directed at banks with \$100 billion in assets and above, we are concerned that smaller banks will come under these requirements in the future, and we wanted to be sure to share our concerns about the potential negative impacts of this initiative as you begin this process.

First Community Bank commenced operations in August 1995, in the State of South Carolina. The Bank's primary federal regulator is the Federal Deposit Insurance Corporation (FDIC). We engage in the commercial banking business from our main offices in Lexington, SC and our 21 full service offices located in: the Midlands of South Carolina, which includes Lexington County (6 offices), Richland County (4 offices), Newberry County (2 offices) and Kershaw County (1 office); the Upstate of South Carolina, which includes Greenville County (2 offices), Anderson County (1 office) and Pickens County (1 office); and the Central Savannah River Area, which includes Aiken County, South Carolina (1 office); and in Augusta, Georgia, which includes Richmond County (2 offices) and Columbia County (1 office). In addition, we have opened a loan production office in York County, South Carolina.

At December 31, 2021, the bank had approximately \$1.6 billion in assets. First Community is a full-service commercial bank offering deposit and loan products and services, residential mortgage lending, and financial planning / investment advisory services for businesses and consumers.

First Community Bank has a robust risk management system that is incorporated into all our business decisions as is prudent to ensure sound financial management for both our shareholders and our customers. We support the American Bankers Association (ABA) position that "prudential regulations should continue to focus on actual risks banks face". We are concerned that additional requirements for specifically climate-related risk management will add a significant compliance burden for banks of our size that will negatively impact our ability to serve our customers and our communities and require significant expansion of our existing risk management process. Additionally, until climate-related financial risk is better understood and able to be more precisely measured, the actual risk assessment would be unduly subjective in nature.

Again, thank you for the opportunity to provide comment on the draft principles. The purpose of our bank is to impact lives for success and significance. We are ever watchful for potentially negative impacts on our ability to serve our customers and our shareholders. We wanted to take this opportunity to share our concerns about the direction of this new initiative.

Sincerely,

Michael C. Crapps
Chief Executive Officer