

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

F C Holdings, Inc. and bank subsidiary First Community Bank, N. A.

Point of Contact:	Doug Harker	RSSD: (For Bank Holding Companies)	3309629
UST Sequence Number:	1180	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	21,042,000	FDIC Certificate Number: (For Depository Institutions)	26435
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	Sugar Land
Date Repaid ¹ :	N/A	State:	Texas

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

Reduced lending less than otherwise would have occurred

To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

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Increase securities purchased (ABS, MBS, etc.).

Empty response box for 'Increase securities purchased (ABS, MBS, etc.).'

Make other investments.

Empty response box for 'Make other investments.'

Increase reserves for non-performing assets.

Economic conditions contributed to increased commercial real estate foreclosures along with increased levels of commercial and consumer problem assets.

Empty response box for 'Increase reserves for non-performing assets.'

Reduce borrowings.

Empty response box for 'Reduce borrowings.'

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X Increase charge-offs.

Increase in non-performing assets and foreclosures also resulted in additional charge-offs.

X Purchase another financial institution or purchase assets from another financial institution.

Purchased prime Texas consumer 2nd lien loans to increase banking customer base in primary markets.

X Held as non-leveraged increase to total capital.

Utilized to maintain subsidiary bank required regulatory capital levels.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The CPP/CDCI funds avoided the divestiture of locations, deposits and loans that would have been necessary to reduce balance sheet and meet capital ratios.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The bank was able to aggressively resolve problem assets to move the bank towards a more stable future, thus allowing for growth in loans and deposits and service to our local markets.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions taken with the capital infusion of CPP/CDCI funds.