

FIRST CAPITAL  
BANK

COMMUNITY  
REINVESTMENT ACT

PUBLIC FILE  
(ALL BRANCHES)

2024



## CRA Public File

This bank is required to make this file available for public inspection under the Community Reinvestment Act (CRA), 12 CFR § 228.43. If you prefer a hard copy, please send your request to the address listed below. 12 CFR § 228.43. (d)

Comments or questions about our CRA Performance may be addressed to:

CRA Compliance Officer  
First Capital Bank  
PO Box 21810  
Charleston, SC 29413

As required by the CRA, the information below is current as of April 1 of each year. 12 CFR § 228.43(e)

- All public comments received for the current year and the prior two calendar years. 12 CFR § 228.43(a)(1)
  - None received.
- A copy of the bank's most recent CRA Performance Evaluations. 12 CFR § 228.43(a)(2)
  - The CRA requires the bank's regulators, the Federal Deposit Insurance Corporation (FDIC) to assess our record of meeting the credit needs of the community. Upon conclusion, a written CRA Performance Evaluation is prepared. A positive contribution to the community is reflected by a good rating. We invite you to review our most recent CRA Performance Evaluation (dated July 26, 2021) prepared by the FDIC.
- A list of the bank's branches, their street addresses, and geographies. 12 CFR § 228.43(a)(3)
  - First Capital Bank currently operates four branch locations, one in North Carolina and three in South Carolina.
  - An application for a fifth branch, located in Pinehurst, NC, was recently approved by the FDIC and the State of South Carolina, and is expected to open for business in Q3, 2024.
- A list of branches opened or closed by the bank during the current year, and the prior two calendar years, their street addresses, and geographies. 12 CFR § 228.43(a)(4)
  - One of the five First Capital Bank branches is expected to open for business in Q3, 2024. No branches have opened within the past two calendar years. One branch was closed during the past two calendar years.



- A list of products and services generally available at the bank's branches, and transaction fees. 12 CFR § 228.43(a)(5)
  - One of our branches (Laurinburg, NC) offers a drive-through service option. A Branch Listing containing location and hours of operation information, along with loan and deposit products and services available at all branches, and a schedule of fees is contained within this Public File.
  - For addition information regarding our products, services and fees, please call or visit the nearest FCB location, or visit us on-line at: [www.fcbscarolinas.com](http://www.fcbscarolinas.com)
- A map of each assessment area showing the boundaries of the area and identifying the geographies contained within the area. 12 CFR § 228.43(a)(6)
  - First Capital Bank has defined three assessment areas by the communities we serve. Those assessment areas in which the four FCB branches operate, and the assessment area in which the new Pinehurst branch will serve when opened (expected Q3 2024) are as follows:
    - Branch 2: Laurinburg, North Carolina. Assessment area is Scotland County in its entirety.
    - Branch 6: Pinehurst, North Carolina. Assessment area is Moore County in its entirety.
    - Branches 3, 4, and 5 Charleston, Summerville, and Mount Pleasant, South Carolina, respectively. Assessment area is Charleston, Dorchester, and Berkeley Counties in their entirety.
  - Assessment area maps, census tract listings, and branch locations census tract information is contained within this Public File.
- A Bank required to report home mortgage loan data pursuant to part 1003 (Home Mortgage Disclosure Act- HMDA) shall include written notice that the institution's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (CFPB) Web site. 12 CFR § 228.43(b)(2)
  - The 2023 HMDA Disclosure Statement is available at [www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda). Prior, FCB was only a HMDA data reportable institution in 2019. The 2019 FCB HMDA Disclosure Statement may also be obtained at the same CFPB website.
- The bank's loan-to-deposit ratio for each quarter of the prior calendar year. 12 CFR § 228.43(b)(3)(i)
  - Quarterly loan-to-deposit ratio information for calendar year 2023 can be found within this Public File.



## Public Comments

We welcome public comments as we strive to improve our level of quality and performance in the communities we serve. The Act requires us to publish the current year and two previous years, all written comments received from the public on “how the bank is helping meet community credit needs.”

First Capital Bank has not received any public comments in the current year, nor in the prior two calendar years.



## CRA Performance Evaluation

The CRA requires the bank's regulators, the Federal Deposit Insurance Corporation (FDIC) to assess our record of meeting the credit needs of the community. Upon conclusion, a written CRA Performance Evaluation is prepared.

A positive contribution to the community is reflected by a good rating. We invite you to review our most recent CRA Performance Evaluation (dated July 26, 2021) prepared by the FDIC.

# **PUBLIC DISCLOSURE**

July 26, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Capital Bank  
Certificate Number: 34966

909 South Main Street  
Laurinburg, North Carolina 28352

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

10 10th Street NE, 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.

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## 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.

- 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 small business and home mortgage loans inside the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of loans reflects reasonable penetration among businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.



## DESCRIPTION OF INSTITUTION

Founded in 1999, First Capital Bank (First Capital) is a North Carolina chartered commercial institution located in Laurinburg, North Carolina and is a wholly-owned subsidiary of First Capital Bancshares, Inc., a bank holding company located in Charleston, South Carolina. The bank received a Satisfactory CRA rating at the FDIC December 7, 2015, CRA evaluation based on the Small Institution Examination Procedures.

First Capital presently has four full-service branches: Three branches in South Carolina and one in North Carolina. Prior to 2018, the bank had only two branches, one each in North Carolina (Scotland County) and South Carolina (Marlboro County). Following a change in control in late 2017, First Capital moved its corporate headquarters to Charleston, South Carolina and, in August 2018, established a branch in Charleston (Charleston County) in a middle-income tract. In June 2019, a branch was opened in Summerville, South Carolina (Dorchester County) in a moderate-income tract.

In addition, First Capital operates a loan production office in Pinehurst, North Carolina (Moore County). The loan production office was opened in 2015 in Southern Pines, North Carolina (Moore County) but moved to Pinehurst in September 2020.

First Capital offers traditional banking products and services via its four offices in North Carolina and South Carolina, with assets consisting primarily of commercial and residential real-estate loans. Loan products include commercial and industrial, construction, land development, commercial real estate, and agricultural loans. The bank also offers home equity lines of credit, 1-4 family secured loans, and vehicle loans. Since the last examination, management has pursued an aggressive growth strategy, as evidenced by a substantial increase in total assets, loans, and deposits, addition of new personnel, and additional branches in the Charleston, South Carolina metro area. In addition, the strategy shifted from originating home mortgage loans to commercial lending as the primary focus.

The bank offers a variety of deposit services including checking, money market, and savings accounts, certificates of deposits, and debit cards. Alternative banking services include telephone banking, ATMs, internet, and mobile banking and electronic bill payment.

As a result of the 2020 global COVID-19 pandemic, the bank participated in the Small Business Administration's Paycheck Protection Program (PPP) to provide critical resources to small- and medium-sized businesses. In 2020, the bank originated \$16.3 million in PPP loans to 181 businesses, affecting 2,600 jobs. The bank also originated 153 PPP loans for a total of \$7.2 million in 2021. The majority of the PPP loans were made in the assessment areas. First Capital also invested significant time and resources in the loan deferral arena.

According to the March 31, 2021, Consolidated Report of Condition and Income, First Capital had total assets of \$292.4 million, total deposits of \$244.6 million, and total loans of \$194.7 million. The loan portfolio is illustrated in the following table. The distribution reflects 42.1 percent of loans were 1-4 family residential secured; although the bank's business focus has evolved to commercial lending. The 1-4 family residential lending includes loans on investment properties as well as several loans on larger, higher-cost properties.

<b>Loan Portfolio Distribution as of 03/31/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	18,158	9.3
Secured by Farmland	1,901	1.0
Secured by 1-4 Family Residential Properties	82,090	42.1
Secured by Multifamily (5 or more) Residential Properties	8,133	4.2
Secured by Nonfarm Nonresidential Properties	66,470	34.1
<b>Total Real Estate Loans</b>	<b>176,752</b>	<b>90.7</b>
Commercial and Industrial Loans	15,945	8.2
Agricultural Production and Other Loans to Farmers	35	0.0
Consumer Loans	2,721	1.4
Less: Unearned Income	(737)	(0.3)
<b>Total Loans</b>	<b>194,716</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The bank operates in North Carolina and South Carolina which will be rated separately. As previously stated, there have been changes to the assessment areas since the previous CRA evaluation with the addition of one assessment area in South Carolina. First Capital has designated three assessment areas: Scotland County in the North Carolina Non-Metropolitan Statistical Area (MSA) (NC Non-MSA assessment area); Marlboro County in the South Carolina Non-MSA (SC Non-MSA assessment area); and Berkeley, Charleston, and Dorchester Counties in the Charleston-North Charleston, South Carolina MSA (Charleston MSA assessment area). First Capital entered the Charleston MSA assessment area on August 2, 2018, with the establishment of a branch in Charleston, SC (Charleston County) and opened an additional branch on June 20, 2019, in Summerville, SC (Dorchester County). A description of the assessment areas is included in the table below.

<b>Description of Assessment Areas</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
NC Non-MSA	Scotland County	7	1
Charleston MSA	Berkeley, Charleston, and Dorchester Counties	156	2
SC Non-MSA	Marlboro County	7	1
<i>Source: Bank Records</i>			

A discussion of each assessment area is provided in the relevant assessment area section.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the previous evaluation dated December 7, 2015, to the current evaluation dated July 26, 2021. Examiners used the Interagency Small Institution Examination Procedures to evaluate the CRA performance of First Capital. First Capital is subject to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. Specifically, the bank is chartered in North Carolina (home state) and operates branches in its home state and in South Carolina. As such, the current CRA performance evaluation will have separate ratings for North Carolina and South Carolina. South Carolina accounts for 97.1 percent of bank-wide lending, 82.4 percent of total deposits, and 75.0 percent of all branches. Therefore, the overall conclusions and ratings are heavily predicated on the performance in South Carolina.

The NC Non-MSA assessment area will receive a full-scope review as it is the only assessment area within North Carolina; therefore, the ratings and conclusions for North Carolina will be solely predicated on the single assessment area. For South Carolina, examiners will perform a full-scope review for the Charleston MSA assessment area due to lending and deposit activity representing 97.6 percent and 83.7 percent of state-wide activities, respectively. Additionally, the Charleston MSA assessment area accounts for 66.7 percent of branches in South Carolina. The overall conclusions and ratings for South Carolina will be substantially weighted on the performance in the Charleston MSA assessment area. A limited-scope review of the SC Non-MSA assessment area is warranted based limited lending and deposit activity only representing 2.4 percent and 16.3 percent, respectively, of state-wide volume. Performance in the SC Non-MSA assessment area will receive limited weight in the analysis.

The following table shows the breakdown of activities in each assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>									
<b>Assessment Area</b>	<b>Loans</b>			<b>Deposits</b>			<b>Branches</b>		
	<b>\$(000s)</b>	<b>% Bank- wide</b>	<b>% State- wide</b>	<b>\$(000s)</b>	<b>% Bank- wide</b>	<b>% State- wide</b>	<b>#</b>	<b>% Bank- wide</b>	<b>% State- wide</b>
Charleston MSA	75,008	94.7	97.6	113,098	69.0	83.7	2	50.0	66.7
SC Non-MSA	1,869	2.4	2.4	21,987	13.4	16.3	1	25.0	33.3
<b>South Carolina Total</b>	<b>76,877</b>	<b>97.1</b>	<b>100.0</b>	<b>135,085</b>	<b>82.4</b>	<b>100.0</b>	<b>3</b>	<b>75.0</b>	<b>100.0</b>
NC Non-MSA	2,291	2.9		28,922	17.6		1	25.0	
<b>Total</b>	<b>79,168</b>	<b>100.0</b>		<b>164,007</b>	<b>100.0</b>		<b>4</b>	<b>100.0</b>	

*Source: Bank Records and FDIC Summary of Deposits (06/30/2020)*

### Activities Reviewed

The CRA regulation requires examiners to review lending performance with respect to home mortgage, small business, and small farm loans, if significant. Using bank data, examiners determined the major product lines are small business and home mortgage loans. This conclusion considered the bank's current business strategy and the number and dollar volume of loans

originated during the evaluation period. The bank’s record of originating small business and growth strategy directed at commercial lending resulted in greater weight afforded to small business loans with respect to overall conclusions and ratings. While loans secured by 1-4 family residential properties represents 36.3 percent of lending, these loans are primarily for investment purpose property and includes several large loans for large, higher-cost coastal properties. In addition, no other loan types, such as small farm loans represent a major product line and are excluded from the review. The following table shows the loan originations for 2020.

<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	3,286	3.0	6	1.3
Secured by 1-4 Family Residential Properties	39,593	36.3	68	15.1
Multi-Family (5 or more) Residential Properties	5,305	4.9	6	1.3
Commercial Real Estate Loans	25,822	23.7	35	7.8
Commercial and Industrial Loans	30,682	28.1	254	56.3
Consumer Loans	2,886	2.7	76	16.9
Other Loans	1,423	1.3	6	1.3
<b>Total Loans</b>	<b>108,997</b>	<b>100.0</b>	<b>451</b>	<b>100.0</b>
<i>Source: Bank Data</i>				

This evaluation will focus analysis on all small business and home mortgage loans originated in 2020. According to bank management, 2020 lending data is representative of the lending activity during the evaluation period and of the bank’s current strategy. The bank originated 289 commercial loans in 2020 totaling approximately \$56.5 million. The commercial lending includes 108 non-PPP business totaling \$40.2 million and 181 PPP loans totaling \$16.3 million. All loans originated were small business loans. The entire universe was reviewed for assessment area concentration, geographic distribution, and borrower profile. D&B data for 2020 serves as a comparison for small business lending.

First Capital originated approximately 68 home mortgage loans in 2020 totaling approximately \$39.6 million. The entire universe was reviewed for assessment area concentration, geographic distribution, and borrower profile. Demographic data from the 2015 American Community Survey (ACS) regarding owner-occupied housing levels and family distribution by income was used for comparative analysis. The bank is not a reporter under the Home Mortgage Disclosure Act; therefore, aggregate lending data.

For the Lending Test, examiners reviewed the number and dollar volume of small business and home mortgage loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans, because the number of loans is a better indicator of the number of businesses and individuals served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

First Capital demonstrated reasonable performance under the Lending Test. The reasonable net loan-to-deposit ratio, the majority of lending within the assessment areas, the reasonable geographic distribution, and reasonable borrower profile performance support this conclusion. Performance was consistent in the rated areas.

### Loan-to-Deposit Ratio

First Capital’s loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment areas’ credit needs. A Uniform Bank Performance Report (UBPR) peer group was used for analysis due to the lack of similarly-situated banks for comparison purposes. The peer group includes all insured commercial banks having assets between \$300 million and \$1 billion. According to the June 30, 2021, UBPR, First Capital had a 77.9 percent loan-to-deposit ratio compared to a peer group of 70.9 percent. The bank’s average net loan-to-deposit ratio over the last 23 quarters is 92.3 percent compared to 70.5 percent for the peer group. The ratio ranged from a low of 77.9 percent in the second quarter of 2021 to a high of 102.4 percent in the third quarter of 2017. The bank’s loan-to-deposit ratio fluctuated over the review period until June 30, 2021, when the ratio declined steadily from 93.0 percent to 77.9 percent. The growth in deposits during the pandemic from new customers and government stimulus payments impacted the loan-to-deposit ratio.

### Assessment Area Concentration

The bank originated a majority of home mortgage and small business loans within its assessment areas. The following table shows the distribution of the loans originated inside and outside of the assessment areas.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	53	77.9	15	22.1	68	34,045	86.0	5,548	14.0	39,593
Small Business	236	81.7	53	18.3	289	45,123	79.9	11,381	20.1	56,504
<b>Total</b>	<b>289</b>	<b>81.0</b>	<b>68</b>	<b>19.0</b>	<b>357</b>	<b>79,168</b>	<b>82.4</b>	<b>16,929</b>	<b>17.6</b>	<b>96,097</b>

*Source: Bank Records.*

### Geographic Distribution

The geographic distribution of small business and home mortgage loans reflects reasonable dispersion throughout the assessment areas. Reasonable performance in small business and home

mortgage lending in South Carolina primarily supports this conclusion and received significant weight in the overall rating assigned. Lending in the rated areas was consistent.

### **Borrower Profile**

The distribution of loans reflects reasonable penetration among businesses of different sizes and individuals of different income levels. Reasonable lending performance in small business lending and in South Carolina primarily supports this conclusion and received substantial weight in the overall rating assigned. Home mortgage lending is considered poor. Lending in the rated areas is consistent.

### **Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank's compliance with laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## NORTH CAROLINA

**CRA RATING FOR NORTH CAROLINA: SATISFACTORY**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTH CAROLINA**

First Capital has designated Scotland County as the sole assessment area in North Carolina. Scotland County is located in the Non-MSA area of southeastern North Carolina. The bank operates one branch office in this area, which is located in a distressed middle-income census tract. This assessment area accounts for 2.9 percent of bank-wide loans by dollar volume, 17.6 percent of bank-wide deposits, and 25.0 percent of the branching network. Since the bank only has one assessment area in North Carolina, the CRA performance is predicated on performance within NC Non-MSA assessment area.

#### **Economic and Demographic Data**

The assessment area contains seven census tracts with the following 2015 ACS designations. The middle-income tracts are considered distress and/or underserved.

- 1 low-income tract;
- 3 moderate-income tracts; and,
- 3 middle-income tracts;

The following table presents select demographic characteristics of the assessment area.

Demographic Information for the NC Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	14.3	42.9	42.9	0.0	0.0
Population by Geography	35,932	11.0	51.4	37.6	0.0	0.0
Housing Units by Geography	15,173	12.5	53.2	34.3	0.0	0.0
Owner-Occupied Units by Geography	8,196	8.3	56.6	35.2	0.0	0.0
Occupied Rental Units by Geography	4,800	17.4	43.9	38.7	0.0	0.0
Vacant Units by Geography	2,177	17.8	61.0	21.2	0.0	0.0
Businesses by Geography	1,653	11.8	39.6	48.6	0.0	0.0
Farms by Geography	83	2.4	45.8	51.8	0.0	0.0
Family Distribution by Income Level	8,905	34.2	17.1	17.3	31.4	0.0
Household Distribution by Income Level	12,996	33.8	15.5	16.7	34.0	0.0
Median Family Income Non-MSAs - NC		\$47,217	Median Housing Value			\$80,514
			Median Gross Rent			\$614
			Families Below Poverty Level			27.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and small business loans to the percentage of businesses located in the low-, moderate-, and middle-income census tracts. The majority of owner-occupied housing units are located moderate-income tracts with a significant level also in the middle-income tracts. Business levels are fairly evenly dispersed between moderate- and middle-income tracts. The demographics reflect limited owner-occupied housing units and significantly less businesses in the low-income tracts, which could impact the lending opportunities in those areas.

The 2020 FFIEC median family income (MFI) for the North Carolina state-wide Non-MSA is used to analyze home mortgage loans in the assessment area under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$53,700)	<\$26,850	\$26,850 to <\$42,960	\$42,960 to <\$64,440	≥\$64,440
<i>Source: FFIEC</i>				

According to 2020 D&B data, there were 1,653 businesses in the NC Non-MSA assessment area. Businesses by gross annual revenues are below.



- 79.9 percent have \$1 million or less.
- 4.5 percent have more than \$1 million.
- 15.7 percent have unknown revenues.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue level. The professional services sector accounts for 33.7 percent of all businesses followed by retail trade at 17.3 percent, and finance, insurance & real estate at 6.7 percent. According to the North Carolina Department of Commerce, major employers in Scotland County include the Scotland County Schools, Scotland Memorial Hospital, North Carolina Department of Public Safety, Scotland County Administration, FCC LLC, and Walmart.

According to the U.S. Bureau of Labor Statistics, unemployment rates within the assessment area have steadily declined until 2020, when rates rapidly increased due to the pandemic. Scotland County’s unemployment rates were significantly above the National and state rates in all three years.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Scotland County	7.5	6.4	12.0
North Carolina	4.0	3.8	7.3
National Average	3.9	3.7	8.1
<i>Source: U.S. Bureau of Labor Statistics</i>			

### **Competition**

The FDIC Deposit Market Share Report as of June 30, 2020, reflects six FDIC insured institutions operate six branches within the NC Non-MSA assessment area. With the exception of First Capital Bank, the institutions are large, regional or national institutions. First Capital ranked 5<sup>th</sup> with a 7.3 percent deposit market share. Truist Bank leads the area with a 30.8 percent market share followed by First Bank at 28.6 percent, Wells Fargo Bank, N.A. at 23.1 percent, and PNC Bank, N.A. at 9.4 percent. Overall, the assessment area is very competitive.

The bank is not required to collect or report its small business loan data. Therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. The most recent aggregate data (2019), however, reflects the level of demand for small business loans and is therefore included. Aggregate data for the NC Non-MSA assessment area for 2019 shows that 35 institutions reported 442 small business loans in the assessment area, indicating a high degree of competition for this product. The most prominent lenders by number are Truist Bank (16.1 percent), American Express National Bank (14.5 percent); Synchrony Bank (13.1 percent); Wells Fargo Bank, N.A. (9.8 percent); and First Bank (8.4 percent). Together, the top five lenders accounted for 61.9 percent of loans by number. The most prominent leaders by dollar amount are First Bank (27.7 percent); Truist Bank (24.8 percent); First Citizens Bank and Trust Company (11.1 percent); Wells Fargo Bank, N.A. (9.2 percent); and PNC Bank, N.A. (6.5 percent). Together, the top five lenders accounted for 79.3 percent of loans by dollar.

The bank is also not required to collect or report its home mortgage loan data. Therefore, the analysis of home mortgage loans does not include comparisons against aggregate data. The most recent aggregate data (2020), however, reflects the level of demand for home mortgage loans and is therefore included. Aggregate data for the NC Non-MSA assessment area for 2020 shows that 114 institutions reported 610 home mortgage loans in the assessment area, indicating a high degree of competition. The most prominent lenders by number are State Employee's Credit Union (12.5 percent), Quicken Loans (7.9 percent); Wells Fargo Bank, N.A. (5.6 percent); Caliber Home Loans, Inc. (4.4 percent); and First Bank (4.4 percent). Together, the top five lenders accounted for 34.8 percent of loans by number.

### **Community Contact**

As part of the CRA evaluation process, examiners conduct or review previously performed community contact interviews in the assessment area to ascertain the assessment area's credit needs, demographics, and economic conditions. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available.

During the evaluation, examiners conducted a community contact within the NC Non-MSA assessment area. The contact stated that opportunities for participation by local financial institutions to make loans and provide credit-related programs were limited but available in 2020 due to the pandemic. For example, major restaurant chains established a presence in 2020; however, larger banks provided franchise financing. Regarding home mortgage lending, the contact stated that home construction was active in northern Scotland County. However, the home prices were well above median home values. The contact also indicated that the presence of more affordable manufactured housing was beginning to appear, including the creation of mobile home parks towards the end of 2020.

### **Credit Needs**

Examiners determined that affordable housing and small business loans represent the primary credit needs in the assessment areas, considering the feedback from bank management, community contacts, and demographic and economic data. Demographic and economic data show that approximately a third of households and families are low-income. Additionally, the majority of businesses are small businesses and over half of the businesses have four or fewer employees.

## SCOPE OF EVALUATION – NORTH CAROLINA

Since the bank only has one assessment area in North Carolina, the CRA performance is predicated on performance within NC Non-MSA assessment area. Refer to the overall Scope of Evaluation for information on products reviewed and weighting of products and rated areas in the overall conclusions.

### CONCLUSIONS ON PERFORMANCE CRITERIA IN NORTH CAROLINA

#### LENDING TEST

First Capital demonstrated reasonable performance under the Lending Test in the NC Non-MSA assessment area. The reasonable performance is based primarily on the small business lending performance as home mortgage lending is nominal.

#### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable performance in small business and home mortgage lending supports this conclusion. Examiners focused on lending in low- and moderate-income census tracts.

#### *Small Business Loans*

The geographic distribution of small business loans reflects reasonable distribution throughout the assessment area. Lending in low-income tracts was below demographic data. However, lending performance in moderate-income tracts was above demographics.

<b>Geographic Distribution of Small Business Loans NC Non-MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	11.8	2	6.4	167	8.3
Moderate	39.6	14	45.2	428	21.1
Middle	48.6	15	48.4	1,430	70.6
<b>Totals</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>2,025</b>	<b>100.0</b>

*Source: 2020 D&B Data and Bank Records.*

#### *Home Mortgage Loans*

Home mortgage lending in the NC Non-MSA assessment in 2020 was limited to four loans totaling \$266,000. None of the loans were in low-income tracts; however, two loans were in moderate-income tracts.

## **Borrower Profile**

The distribution of loans reflects adequate penetration among business of different sizes and individuals of different income levels. The conclusion is predicted on the reasonable small business lending performance. Examiners focused on home mortgage loans to low- and moderate-income borrowers and small business loans to businesses with gross annual revenues of \$1 million or less.

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration to businesses with gross annual revenues of \$1 million or less. Lending to businesses with annual gross revenues of \$1 million or less was below but within a reasonable range of demographic data.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category NC Non-MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	79.9	21	67.7	651	32.2
>\$1,000,000	4.5	4	12.9	685	33.8
Revenue Not Available	15.7	6	19.4	689	34.0
<b>Totals</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>2,025</b>	<b>100.0</b>
<i>Source: 2020 D&amp;B Data and Bank Data. Due to rounding, totals may not equal 100.0 percent.</i>					

### ***Home Mortgage Loans***

The bank originated only four loans totaling \$266,000 in the assessment area. Only two of the loans had income data available as the bank lends to business entities that purchase, refinance, and improve 1-4 family residential property for rental and investment purposes. Thus, family income is not available. Neither of the two loans with income available were to low- or moderate-income borrowers.

## **SOUTH CAROLINA**

**CRA RATING FOR SOUTH CAROLINA: SATISFACTORY**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN SOUTH CAROLINA**

There have been changes to the bank's assessment areas since the previous CRA evaluation adding one assessment area in South Carolina. First Capital has designated two assessment areas: SC Non-MSA assessment area consisting of Marlboro County and Charleston MSA assessment area consisting of all three counties in the Charleston-North Charleston, SC MSA. First Capital entered the Charleston MSA assessment area on August 2, 2018, with the establishment of a branch in Charleston, SC (Charleston County) and opened an additional branch on June 20, 2019, in Summerville, SC (Dorchester County).

The bank operates three or 75.0 percent of its total branch offices in South Carolina. South Carolina accounts for 97.1 percent of bank-wide loans by dollar volume and 82.4 percent of total deposits. South Carolina received substantial weight in the overall conclusions and ratings. Overall, First Capital ranks 19<sup>th</sup> in the state in deposit market share at 0.8 percent. Competitor institutions in the South Carolina assessment areas include Bank of America, N.A., Wells Fargo Bank, N.A., South State Bank, and Truist Bank.

### **SCOPE OF EVALUATION – SOUTH CAROLINA**

The evaluation of the South Carolina performance considered the operations of First Capital in the South Carolina assessment areas, which are detailed in the Description of Assessment Areas. Refer to the overall Scope of Evaluation for information on products reviewed and weighting of products and assessment areas in the overall conclusions.

### **CONCLUSIONS ON PERFORMANCE CRITERIA IN SOUTH CAROLINA**

#### **LENDING TEST**

The Lending Test rating for South Carolina is Satisfactory. The geographic distribution reflects reasonable penetration throughout the assessment areas, and the borrower profile reflects reasonable distribution to businesses of different sizes and poor distribution to borrowers of different incomes. Lending performance overall is consistent in the assessment areas.

#### **Geographic Distribution**

The overall geographic distribution of small business and home mortgage loans is reasonable. The reasonable geographic distribution of both small business and home mortgage loans supports this conclusion. Lending performance is consistent for the assessment areas.

## **Borrower Profile**

The overall distribution of small business and home mortgage loans is reasonable. The distribution of small business loans is reasonable among businesses of different sizes; however, the distribution of home mortgage loans is poor among borrowers of different income levels. Lending performance is consistent for the assessment areas.

## CHARLESTON MSA ASSESSMENT AREA– Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CHARLESTON MSA ASSESSMENT AREA

First Capital delineated Berkeley, Charleston, and Dorchester Counties, which comprise the entire Charleston-North Charleston, SC MSA. The bank operates two branch offices in this assessment area, which accounts for 50.0 percent of the state-wide banking locations. The assessment area also accounts for 97.6 percent of loans by dollar volume and 83.7 percent of within South Carolina.

#### Economic and Demographic Data

The assessment area contains 156 census tracts with the following 2015 ACS designations.

- 14 low-income tracts;
- 35 moderate-income tracts;
- 59 middle-income tracts;
- 44 upper-income tracts; and,
- 4 not available.

The following table presents select demographic characteristics of the assessment area.

<b>Demographic Information for the Charleston MSA Assessment Area</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	156	9.0	22.4	37.8	28.2	2.6
Population by Geography	712,232	6.7	21.4	41.9	29.2	0.8
Housing Units by Geography	309,113	6.7	21.2	40.2	31.1	0.8
Owner-Occupied Units by Geography	173,999	3.3	19.1	42.4	34.9	0.3
Occupied Rental Units by Geography	94,905	12.5	24.4	40.5	21.3	1.4
Vacant Units by Geography	40,209	8.1	22.9	29.9	37.5	1.7
Businesses by Geography	56,496	7.7	18.5	34.1	38.2	1.5
Farms by Geography	1,371	3.7	18.5	45.4	32.1	0.3
Family Distribution by Income Level	173,525	22.6	16.7	19.9	40.8	0.0
Household Distribution by Income Level	268,904	24.5	15.7	17.6	42.2	0.0
Median Family Income Charleston-North Charleston, SC MSA		\$65,558	Median Housing Value			\$241,873
			Median Gross Rent			\$1,021
			Families Below Poverty Level			11.4%

*Source: 2015 ACS and 2020 D&B Data.  
Due to rounding, totals may not equal 100.0 percent.  
(\* ) The NA category consists of geographies that have not been assigned an income classification.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The majority of owner-occupied housing units and businesses are located middle- and upper-income tracts. The demographics reflect limited owner-occupied housing units and businesses in the low-income tracts, which could significantly affect the lending opportunities in those areas.

The 2020 FFIEC MFI for the Charleston-North Charleston, SC MSA is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$81,000)	<\$40,500	\$40,500 to <\$64,800	\$64,800 to <\$97,200	≥\$97,200
<i>Source: FFIEC</i>				

According to 2020 D&B data, there were 56,496 businesses in the Charleston MSA assessment area. Businesses by gross annual revenues are below.

- 85.1 percent have \$1 million or less.
- 4.5 percent have more than \$1 million.
- 10.5 percent have unknown revenues.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue level. The professional services sector accounts for 38.7 percent of all businesses followed by retail trade at 13.4 percent, finance, insurance and real estate at 8.5 percent, and construction at 7.7 percent. According to the South Carolina Department of Commerce, major employers in the Charleston MSA assessment area include the Joint Base Charleston, Medical University of South Carolina, The Boeing Company, Berkeley County School District, and Charleston County School District.

According to the U.S. Bureau of Labor Statistics, unemployment rates within the assessment area have steadily declined until 2020, when rates rapidly increased due to the pandemic. Unemployment rates in each county were below the state and national rates for all three years, except Charleston County was comparable to the state rate in 2020.



<b>Unemployment Rates</b>			
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Charleston County	2.7	2.2	6.3
Dorchester County	3.0	2.4	5.8
Berkeley County	3.0	2.5	5.6
South Carolina	3.4	2.8	6.2
National Average	3.9	3.7	8.1
<i>Source: U.S. Bureau of Labor Statistics</i>			

## **Competition**

The FDIC Deposit Market Share Report as of June 30, 2020, reflects 33 FDIC insured institutions operate 189 branches within the Charleston MSA assessment area. These institutions range from small community banks to large financial institutions. First Capital ranked 19th with a 0.6 percent deposit market share. Wells Fargo Bank, N.A. leads the area with a 22.6 percent market share followed by Bank of America, N.A. at 15.7 percent, South State Bank at 13.1 percent, Truist Bank at 8.9 percent, and First Citizens Bank and Trust Company at 6.4 percent. Overall, the assessment area is very competitive.

The bank is not required to collect or report its small business loan data. Therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. The most recent aggregate data (2019), however, reflects the level of demand for small business loans and is therefore included. Aggregate data for the Charleston MSA assessment area for 2019 shows that 123 institutions reported 18,889 small business loans in the assessment area, indicating a moderate degree of competition for this product. The most prominent lenders by number are American Express National Bank (24.2 percent); Bank of America, N.A. (10.7 percent); JPMorgan Chase Bank, N.A. (9.6 percent); Wells Fargo Bank, N.A. (8.6 percent); and Capital One Bank, N.A. (5.0 percent). Together, the top five lenders accounted for 58.1 percent of loans by number. The most prominent leaders by dollar amount are South State Bank (10.7 percent); Wells Fargo Bank, N.A. (10.6 percent); American Express National Bank (8.5 percent); Pinnacle Bank (7.5 percent); and First Citizens Bank and Trust Company (6.0 percent). Together, the top five lenders accounted for 43.3 percent of loans by dollar.

The bank is also not required to collect or report its home mortgage loan data. Therefore, the analysis of home mortgage loans under the Lending Test does not include comparisons against aggregate data. The most recent aggregate data (2020), however, reflects the level of demand for home mortgage loans and is therefore included. Aggregate data for the Charleston MSA assessment area for 2020 shows that 649 institutions reported 63,138 home mortgage loans in the assessment area, indicating a high degree of competition for this product. The most prominent lenders by number are Quicken Loans, LLC (5.3 percent), Wells Fargo Bank, N.A. (4.7 percent); Freedom Mortgage Corporation (3.5 percent); Newrez LLC (3.4 percent); and Truist Bank (3.2 percent). Together, the top five lenders accounted for only 20.1 percent of loans by number based on a steady dispersion of lenders. The most prominent leaders by dollar amount are Wells Fargo Bank, N.A. (4.8 percent); Quicken Loans, LLC (4.3 percent); Truist Bank (3.4 percent); Newrez LLC (3.1

percent); and Freedom Mortgage Corporation (2.8 percent). Together, the top five lenders accounted for only 18.4 percent of loans by dollar amount based on a steady dispersion of lenders.

### **Community Contact(s)**

As part of the CRA evaluation process, examiners conduct or review previously performed community contact interviews in the assessment area to ascertain the assessment area's credit needs, demographics, and economic conditions. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this evaluation, examiners reviewed a recent community contact conducted in Dorchester County. The contact noted that Summerville is a fast growing portion of the county via an influx of residents moving to the area, housing expansion, and non-industrial development (major retail stores and restaurants). The contact stated also Summerville's lower cost of living and proximity to Charleston as the primary reasons for the growth.

The contact noted that Dorchester County residents primarily commute out of the county for work to Charleston County. The contact noted that, based on the State's Job Tax Credit system (credits used as incentives that reward businesses for the creation and maintenance of jobs in South Carolina), Dorchester County is a Tier 1. The contact noted that this designation is based on the growth and prosperity in the Summerville area. Finally, the contact noted that the aforementioned influx of residents to Summerville was causing a tight housing market with rising home prices that limits the ability to obtain financing.

### **Credit Needs**

Examiners determined that affordable housing and small business loans represent the primary credit needs in the assessment areas, considering the feedback from bank management, the community contact, and demographic and economic data. Demographic and economic data show that approximately that 24.5 percent of households and 22.6 percent of families are low-income. Additionally, the majority of businesses are small businesses and over half of the businesses have four or fewer employees.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHARLESTON MSA ASSESSMENT AREA**

### **LENDING TEST**

First Capital demonstrated reasonable performance under the Lending Test in the Charleston MSA assessment area.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable performance in small business and home mortgage lending supports this conclusion. Examiners focused on lending in low- and moderate-income census tracts.

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable distribution throughout the assessment area. Lending in both low- and moderate-income tracts was comparable to the demographic data.

<b>Geographic Distribution of Small Business Loans Charleston MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	7.7	13	6.7	2,240	5.4
Moderate	18.5	34	17.4	9,445	22.6
Middle	34.1	51	26.2	12,893	30.9
Upper	38.2	88	45.1	16,497	39.6
Not Available	1.5	9	4.6	624	1.5
<b>Totals</b>	<b>100.0</b>	<b>195</b>	<b>100.0</b>	<b>41,699</b>	<b>100.0</b>

*Source: 2020 D&B Data and Bank Records.*

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable distribution throughout the assessment area. Lending in both low- and moderate-income census tracts is below demographic data. However, performance in both areas is within a reasonable range.

<b>Geographic Distribution of Home Mortgage Loans Charleston MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	3.3	1	2.1	110	0.3
Moderate	19.1	7	14.5	3,251	9.8
Middle	42.4	8	16.7	3,844	11.5
Upper	34.9	30	62.5	24,741	74.3
Not Available	0.3	2	4.2	1,363	4.1
<b>Totals</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>	<b>33,309</b>	<b>100.0</b>

*Source: 2015 ACS and Bank Records.*

### **Borrower Profile**

The distribution of loans reflects adequate penetration among business of different sizes and individuals of different income levels. Reasonable lending performance in small business supports this conclusion. Examiners focused on home mortgage loans to low- and moderate-income borrowers and small business loans to businesses with gross annual revenues of \$1 million or less.

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration to businesses with gross annual revenues of \$1 million or less. Lending to businesses with annual gross revenues of \$1 million or less was below but within a reasonable range of demographic data.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Charleston MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	85.1	140	71.8	27,037	64.8
>\$1,000,000	4.5	31	15.9	12,255	29.4
Revenue Not Available	10.5	24	12.3	2,407	5.8
<b>Totals</b>	<b>100.0</b>	<b>195</b>	<b>100.0</b>	<b>41,699</b>	<b>100.0</b>
<i>Source: 2020 D&amp;B Data and Bank Records. Due to rounding, totals may not equal 100.0 percent.</i>					

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels is poor. One loan was made to a low-income borrower, and two loans were extended to moderate-income borrowers. However, with a median housing value of \$241,873, a low-income individual earning less than \$40,500 per year may have difficulty qualifying for a conventional mortgage loan. Families below the poverty level at 11.4 percent would likely have even more difficulty.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Charleston MSA Assessment Area</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	22.6	1	2.1	59	0.2
Moderate	16.7	2	4.2	135	0.4
Middle	19.9	1	2.1	135	0.4
Upper	40.8	27	56.2	21,371	64.2
Not Available	0.0	17	35.4	11,609	34.8
<b>Totals</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>	<b>33,309</b>	<b>100.0</b>
<i>Source: 2015 ACS and Bank Records.</i>					

## SC NON-MSA ASSESSMENT AREA – Limited-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SC NON-MSA ASSESSMENT AREA

The SC Non-MSA assessment area consists of Marlboro County. This assessment area accounts for 2.4 percent of state-wide loans, 16.3 percent of deposits, and 33.3 percent of branches.

The below table shows demographic information for the assessment area.

<b>Demographic Information for the SC Non-MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	7	0.0	28.6	57.1	14.3	0.0
Population by Geography	27,993	0.0	35.3	56.1	8.6	0.0
Housing Units by Geography	11,983	0.0	41.1	50.3	8.6	0.0
Owner-Occupied Units by Geography	6,532	0.0	38.3	50.4	11.3	0.0
Occupied Rental Units by Geography	3,418	0.0	43.4	51.6	5.1	0.0
Vacant Units by Geography	2,033	0.0	46.3	47.8	5.9	0.0
Businesses by Geography	897	0.0	41.0	53.4	5.6	0.0
Farms by Geography	55	0.0	38.2	43.6	18.2	0.0
Family Distribution by Income Level	6,706	28.4	18.8	17.3	35.5	0.0
Household Distribution by Income Level	9,950	30.2	16.3	17.1	36.5	0.0
Median Family Income Non-MSAs - SC		\$44,609	Median Housing Value			\$63,152
			Median Gross Rent			\$571
			Families Below Poverty Level			24.4%
<i>Source: 2015 ACS and 2020 D&amp;B Data                      Due to rounding, totals may not equal 100.0 percent.                      (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the U.S. Bureau of Labor Statistics, unemployment rates within the assessment area steadily declined until 2020, when rates rapidly increased due to the pandemic. Marlboro County’s unemployment rates remained above the National and state rates in 2018, 2019, and 2020.

According to the South Carolina Department of Employment and Workforce, major employers in Marlboro County include the Marlboro County Public School District, Evans Correctional Facility, Mohawk Industries, Sopakco Packaging, and Walmart.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN SC NON-MSA ASSESSMENT AREA

### LENDING TEST

The institution's Lending Test performance in the assessment area was consistent with the state lending performance. The analysis and conclusions for the SC Non-MSA assessment area is based on the small business lending as only one home mortgage loan for \$470,000 was originated.

### Geographic Distribution

The geographic distribution is reasonable. Small business lending in moderate-income tracts exceeded demographics. One home mortgage loan was made in a middle-income tract.

### Borrower Profile

Lending to small businesses is below demographics; however, three loans did not have revenues available. Considering these loans, six of seven loans with revenue were made to small businesses. The one home mortgage loan did not have revenue available.

Tables demonstrating the geographic and borrower distribution performance for small business lending are below.

<b>Geographic Distribution of Small Business Loans SC Non-MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	41.0	6	60.0	790	56.5
Middle	53.4	3	30.0	586	41.9
Upper	5.6	1	10.0	23	1.6
<b>Totals</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1,399</b>	<b>100.0</b>

*Source: 2020 D&B Data and Bank Records.*

<b>Distribution of Small Business Loans by Gross Annual Revenue Category SC Non-MS Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	72.9	6	60.0	657	47.0
>\$1,000,000	4.1	1	10.0	530	37.9
Revenue Not Available	23.0	3	30.0	212	15.1
<b>Totals</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1,399</b>	<b>100.0</b>

*Source: 2020 D&B Data and Bank Records.*

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## SUMMARY OF RATINGS FOR RATED AREAS

<b>Rated Area</b>	<b>Rating</b>
North Carolina	Satisfactory
South Carolina	Satisfactory



## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the institution under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



# Branch Listing

BR #	BRANCH NAME	STREET ADDRESS	MAILING ADDRESS	PHONE NUMBERS	HOURS OF OPERATION		ATM (Y/N)	MSA	COUNTY	CENSUS TRACT
					LOBBY	DRIVE-THROUGH				
<b>NORTH CAROLINA</b>										
002	Laurinburg Branch	909 South Main Street Laurinburg, NC 28352	PO Box 529 Laurinburg, NC 28353	(O) 910-610-4343 (F) 910-610-1227	M-F: 9:00 - 5:00 pm	M-F: 9:00 - 5:00 pm	Yes	no MSA	Scotland	0101.02
006	Pinehurst Branch opening soon	5 Village Green Road West Pinehurst, NC 28374	5 Village Green Road West Pinehurst, NC 28374	TBD	TBD	TBD	TBD	no MSA	Pinehurst	9506.01
<b>SOUTH CAROLINA</b>										
003	Charleston-Main	304 Meeting Street Charleston, SC 29401	PO Box 21810 Charleston, SC 29413	(O) 843-990-7770 (F) 843-990-7767	M-F: 9:00 - 5:00 pm	N/A	No	Charleston-North Charleston, SC Metro Area	Charleston	0004.00
004	Downtown Summerville	234 N Maint Street Summerville, SC 29483	Same as Street	(O) 843-990-7750 (F) 843-990-7767	M-F: 9:00 - 5:00 pm	N/A	No	Charleston-North Charleston, SC Metro Area	Dorchester	0107.00
005	Mount Pleasant	2191 N Highway 17 Mount Pleasant, SC 29464	Same as Street	(O) 843-990-7750 (F) 843-990-7767	M-F: 9:00 - 5:00 pm	N/A	No	Charleston-North Charleston, SC Metro Area	Charleston	0046.10



# Branch Activity

BR #	BRANCH NAME	STREET ADDRESS	DATE	MSA	COUNTY	CENSUS TRACT
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## BRANCHES OPENED

### SOUTH CAROLINA

006	Pinehurst	5 Village Green Road West Pinehurst, NC 28374	expected: Q3 2024	no MSA	Pinehurst	9506
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## BRANCHES CLOSED

### SOUTH CAROLINA

001	Bennettsville Branch	207 Hwy 15/401 Bypass East Bennettsville, SC 29512	5/20/2022	no MSA	Marlboro	9602.00
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# Products & Services



FIRST CAPITAL  
BANK



## PERSONAL BANKING

Personal Checking – DDA & MMA

Personal Savings

Certificates of Deposit

IRA Certificates of Deposit

Personal Loans and Lines - Unsecured, and Secured: real estate & non-real estate

## COMMERCIAL BANKING

Business Checking – DDA & MMA

Business Savings

Commercial Loans and Lines - Unsecured, and Secured: real estate & non-real estate

## OTHER PRODUCTS AND SERVICES

ACH Origination: DR & CR	Merchant Card Services	Remote Deposit Capture
Bill Pay	Mobile Banking	Safe Deposit Box – Laurinburg
Cashier's Checks	Night Deposit - Laurinburg	Wire Transfers – Dom/Int'l
Debit/Credit Cards	Online Banking	Zelle

Banking Hours: 9:00 AM to 5:00 PM Monday through Friday





### ONLINE & MOBILE BANKING\*

Manage your account 24/7, from anywhere in the world. Our Online Banking and Mobile Banking App allows customers to view account information, make transactions and more. Banking doesn't have to be hard, and First Capital Bank is committed to making it simpler and more convenient for you.

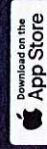
\*Search the App Store - FCB Carolinas Smart Branch©  
\*Standard phone, data and messaging rates apply.



### MOBILE DEPOSIT

Want to make a mobile deposit any time of day? There's an app for that. Android™ and iPhone/iPad® users can download our full-service SmartBranch® Mobile Banking App to make deposits with their mobile device anytime, anywhere. Just app, tap and snap!

\*Standard phone, data and messaging rates apply.



### TEXT BANKING

On the go? To stay connected, just text 99588 to get your "balance" or "transaction history" via text message.

\*Standard phone, data and messaging rates apply.

## BRANCH OFFICES



### CHARLESTON, SC

304 Meeting Street, Charleston, SC 29401  
Phone (843) 990-7770 | Fax (843) 990-7767

### BENNETTSVILLE, SC

207 Hwy 15/401 Bypass E, Bennettsville, SC 29512  
Phone (843) 454-9337 | Fax (843) 454-9338

### LAURINBURG, NC

909 Main Street, Laurinburg, NC 28352  
Phone (910) 610-4343 | Fax (910) 610-1227

### SUMMERVILLE, SC

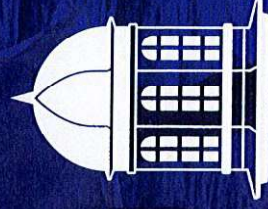
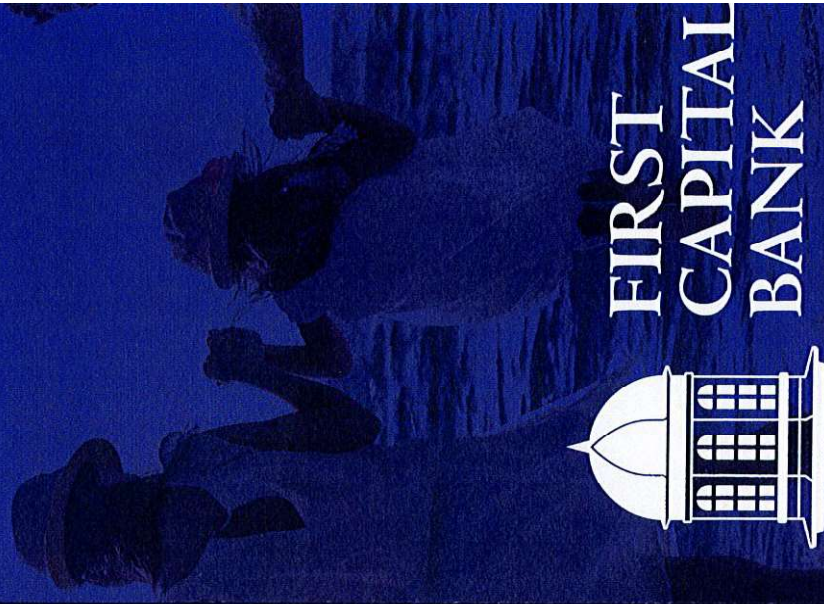
227 S Cedar Street, Suite A, Summerville, SC 29483  
Phone (843) 990-7750 | Fax (843) 990-7779

### MOUNT PLEASANT

2191 N Hwy 17, Mt. Pleasant, SC 29466  
Phone (843) 990-7780 | Fax (843) 990-7787

## We Get It!™

## PERSONAL BANKING



# FIRST CAPITAL BANK

## We Get It!™

## FCBCAROLINAS.COM

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# WITH US, IT'S PERSONAL.

You have a busy life and you are looking for things to enhance it. We get it! That's why we offer products and services designed to make your life easier. Compare our various checking accounts to find the one that best fits your lifestyle - from no frills to all the bells and whistles.

## CONSUMER CHECKING

The following features are FREE with all First Capital Bank Checking Accounts:

- FREE VISA ATM/Debit Card
- FREE of charge at any ATM .....Everywhere. Every time
- FREE Online Banking
- FREE Bill Pay
- FREE Mobile Banking\*
- FREE Text Banking\*
- FREE Notary Service

\*Standard phone, data and messaging rates apply.

## SAVINGS ACCOUNTS

Whether you're saving for a rainy day or your dream purchase, a savings account from First Capital Bank can help you save wisely. A savings account can provide an important safety net or nest egg. Whatever the case, First Capital Bank can help you find the savings account best suited for you.

## CERTIFICATES OF DEPOSIT (CD)

Whether you're thinking 10 years down the road or just storing cash for a few months, CDs provide low risk and solid returns. They are a great choice if you have time-specific savings or need to diversify overall risk in your portfolio.

## INDIVIDUAL RETIREMENT ACCOUNT (IRA)

First Capital Bank offers both Traditional and Roth IRAs for clients at any income level, helping you grow your money today and ensure you have additional income during retirement. Contributions and distributions are subject to IRS laws. Contact your tax professional for advice.

	Minimum Opening Balance	Monthly Charge	Earns Interest	Qualifiers to Waive Monthly Charge	Miscellaneous Information
<b>BASIC CHECKING</b> offers high-tech conveniences without a minimum balance requirement or a monthly fee.	\$100	Free	No	N/A	<ul style="list-style-type: none"> <li>• Paper statement fee \$3</li> </ul>
<b>FREEDOM CHECKING</b> with all the conveniences.	\$100	\$4	No	<ul style="list-style-type: none"> <li>• Monthly direct deposit</li> <li>OR</li> <li>• Minimum daily balance of \$400 during statement cycle</li> </ul>	
<b>CLASSIC CHECKING</b> shows everything improves with age. All the great services and added benefits for customers age 50+.	\$100	Free	Yes No minimum balance required	N/A	<ul style="list-style-type: none"> <li>• FREE first order of basic checks. (Additional check orders no charge with monthly direct deposit.)</li> </ul>
<b>PREMIER CHECKING</b> for those with higher balances. Enjoy convenient access while earning a premium interest rate.	\$100	\$10	Yes Minimum balance \$2,500 required	<ul style="list-style-type: none"> <li>• Average daily balance \$2,500</li> <li>• Loan balance of \$50,000 or greater</li> <li>• \$25,000 combined deposits</li> </ul>	<ul style="list-style-type: none"> <li>• FREE cashier's checks</li> <li>• 4 FREE domestic wires each month</li> </ul>
<b>PERSONAL MONEY MARKET CHECKING</b> for those looking for a place to park some money where it will earn higher interest than a checking or savings account.	\$1,000	\$10	Yes Minimum balance \$1,000 required	<ul style="list-style-type: none"> <li>• Minimum daily balance of \$1,000 during the statement cycle</li> </ul>	<ul style="list-style-type: none"> <li>• Limited to 6 third party transactions per statement cycle (\$10 per transaction over 6)</li> <li>• Unlimited in bank transactions</li> <li>• Paper statement fee \$3</li> </ul>
<b>CAPITAL SAVINGS</b> is perfect for you to save for vacation or unplanned expenses.	\$100	\$5	Yes Minimum balance \$100 required	<ul style="list-style-type: none"> <li>• Minimum daily balance of \$100 for the statement cycle</li> </ul>	<ul style="list-style-type: none"> <li>• 3 FREE withdrawals/transfers per month (\$3 per withdrawal/transfer over 3)</li> <li>• Paper statement fee \$3</li> </ul>
<b>FIRST SAVINGS</b> is ideal for young savers to watch their money grow.	\$25	Free	Yes No minimum balance required	N/A	<ul style="list-style-type: none"> <li>• 3 FREE withdrawals/transfers monthly (\$3 per withdrawal/transfer over 3)</li> <li>• Paper statement fee \$3</li> </ul>

\*May be subject to additional fees. Please inquire for more information. Terms and conditions subject to change.