



PUBLIC DISCLOSURE

May 19, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Capital Bank

Charleston, South Carolina

**Federal Reserve Bank of Richmond
Richmond, Virginia**

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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2849463

304 Meeting Street

Charleston, SC 29401

Federal Reserve Bank of Richmond

P. O. Box 27622

Richmond, Virginia 23261

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

INSTITUTION'S CRA RATING: This institution is rated: Satisfactory
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable given the bank's size, financial condition, and lending capacity.
- A majority of the of the institution's total combined reported Home Mortgage Disclosure Act (HMDA) and small business loans were originated within the bank's assessment areas.
- While the bank's borrower distribution performance (lending to low- and moderate-income borrowers and small businesses having annual revenues of \$1 million or less) varies by assessment area and product level, it is considered poor overall.
- The bank's geographic distribution performance (lending in census tracts with different income levels) is considered reasonable overall.
- The bank's responsiveness to the community development needs of its assessment areas through community development loans, investments, donations, and services is considered adequate.
- The institution has not received any complaints regarding its Community Reinvestment Act (CRA) performance or activities since the previous evaluation.

SCOPE OF EXAMINATION

First Capital Bank (FCB) was evaluated using the interagency examination procedures for intermediate-small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Given its size and branch locations, FCB is required to collect and report HMDA data but is not required to collect or report data on its small business lending. Residential mortgage (HMDA) and small business lending were identified as the primary credit products offered by the bank. As such, reported HMDA loans and all small business loans originated in 2023 were utilized to assess the bank's performance.

All qualified community development loans and services were considered since the previous evaluation (July 26, 2021). All qualified investments made during this same period and those outstanding as of the date of this evaluation were also considered. To help determine the availability of community development opportunities in specific assessment areas, CRA public evaluations of other financial institutions operating in these areas were reviewed. Additionally, members of the community were contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment areas, and community development opportunities.

FCB currently serves three assessment areas in the States of South Carolina and North Carolina. The bank's operations are concentrated in the Charleston-North Charleston, SC MSA and the Scotland County, NC nonmetropolitan (NonMSA) assessment areas and both were reviewed using the FFIEC's full scope procedures. Since the previous evaluation, the bank's assessment areas have changed. In May 2022, the bank closed its branch in Marlboro County, SC, which resulted in the elimination of that assessment area. As such, no analysis will be conducted for that area in this evaluation. Additionally, in August 2024 FCB converted one of its loan production offices (LPO) into a full-service branch office. The conversion led to the establishment of a new assessment area, the Pinehurst-Southern Pines, NC MSA assessment area. The assessment area includes all of Moore County, NC. Given the timing of the conversion and the loan data used in this evaluation, there will be no further analysis of the area in this evaluation, and the bank's community development activity within this new assessment area is included at the institutional level.

An overall rating and ratings for the Lending and Community Development Tests were assigned to the institution, the State of South Carolina and the State of North Carolina. The South Carolina rating is based solely upon the performance in the Charleston-North Charleston, SC MSA assessment area, while the North Carolina rating is based solely upon the performance in the Scotland County, NC nonmetropolitan (NonMSA) assessment area. **Appendix C** includes additional data about the distribution of lending, branches, and deposits in the bank's current assessment areas.

DESCRIPTION OF INSTITUTION

FCB currently operates five full-service branch offices and one loan production office (LPO) serving three assessment areas in North and South Carolina. The bank is a wholly owned subsidiary of First Capital Bancshares, Inc., and both are headquartered in Charleston, South Carolina. FCB received a Satisfactory rating at its prior CRA evaluation, conducted by the Federal Deposit Insurance Corporation (FDIC) on July 26, 2021. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

The Charleston-North Charleston, SC MSA assessment area is the bank's primary market and maintains the bank's headquarters, located in Charleston, South Carolina. There are currently three full-service branches and one LPO in the assessment area. Branching changes within the assessment area consisted of one new branch, one new LPO, and a relocation of a branch. The new branch was opened in Mt. Pleasant in November 2021; the new LPO was opened near Summerville in July 2024; and the bank also relocated a branch in Summerville in December 2022.

The Scotland County, NC NonMSA assessment area is the bank's primary market within North Carolina and FCB maintains one branch located in a moderate-income census tract. The assessment area consists of Scotland County in its entirety and no changes have occurred in this designated area.

The Pinehurst-Southern Pines, NC MSA assessment area, which includes Moore County in its entirety had maintained an LPO but in August 2024, FCB changed this into a full-service branch located in an upper-income census tract. As such, and as previously mentioned, this is a new assessment area for the bank.

As of March 31, 2025, FCB held assets totaling \$1 billion, of which 83.2% were net loans and 4.3% were securities. As of the same date, deposits totaled approximately \$834.1 million. Various deposit and loan products are available through the institution with the current strategy focusing on commercial lending and secondary residential real estate products. The composition of the loan portfolio (using gross loans) as of March 31, 2025, is represented in the following table:

Composition of Loan Portfolio

Loan Type	3/31/2025	
	\$(000s)	%
Secured by 1-4 Family dwellings	402,576	47.3
Multifamily	50,203	5.9
Construction and Development	70,013	8.2
Commercial & Industrial/ NonFarm NonResidential	319,476	37.5
Consumer Loans and Credit Cards	7,221	0.8
Agricultural Loans/ Farmland	2,273	0.3
All Other	0	0.0
Total	851,762	100.0

As indicated in the preceding table, FCB is an active commercial/small business and residential real estate lender. Small business loans (i.e. business purpose loans of \$1 million or less) are a subset of commercial and industrial loans. While the bank offers additional products, such as consumer and farm loans, the volume of such lending is very limited in comparison to commercial and residential lending.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Overall, the bank is rated “Satisfactory” with both the Lending Test and the Community Development Test rated “Satisfactory”. The Lending Test rating considered the bank’s loan-to-deposit ratio, the proportion of lending within its combined assessment areas, and borrower and geographic distribution performance. The Community Development test considered community development lending, investments, donations, and services. The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

When evaluating the bank’s HMDA and small business lending, relevant area demographic data from the American Community Survey (ACS) is used to estimate potential demand and lending opportunities. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. As such, when evaluating the bank’s performance, relevant area demographic data from the 2020 ACS was used. Additionally, Dun and Bradstreet (D&B) business demographic data from 2023 was also used when evaluating FCB’s small business lending.

Aggregate loan data is used as a proxy for demand when evaluating the bank’s HMDA lending and includes all activity reported by lenders subject to reporting HMDA data within the bank’s assessment areas. Similarly, the aggregate small business lending data includes all lenders subject to reporting small business data. Because the bank is not required to report small business loan data, FCB’s small business loans are not included in the aggregate data.

The geographic and borrower distribution performance of HMDA loans focused on the performance of Home Purchase and Refinancing loans as all other loan types were not material and insufficient to determine a meaningful analysis. Performance for the Not Applicable, Other Closed, and Other Line of Credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

When evaluating the borrower and geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated or purchased. To arrive at an overall assessment area level conclusion regarding the distribution of lending, performance in each loan category is then generally weighted by the dollar volume of such loans made in the assessment area.

When determining overall conclusions for the institution, the bank’s level of performance in each full-scope assessment area is generally weighted by the dollar volume of lending in the assessment areas. During the evaluation period, the bank originated a greater number and dollar volume of HMDA and small business loans in the Charleston-North Charleston, SC MSA assessment area. In addition to the weighting by number and dollar volume, number of branches and deposits by assessment area are also considered. When considering all of these factors, the Charleston-North Charleston, SC MSA full-scope assessment area received a greater weighting.

Loan-To-Deposit Ratio

The bank’s loan-to-deposit ratio as of March 31, 2025, was 101% and averaged 96.6% for the 15-quarter period ending March 31, 2025. In comparison, the quarterly average loan-to-deposit ratios for four similarly situated institutions that operate in at least one of FCB’s assessment areas ranged from 57.7% to 105.7% during the same 15-quarter period. Since September 30, 2021, FCB’s assets, net loans, and deposits have increased by 183.2%, 247%, and 176.4% respectively. The bank’s level of lending activity as measured by its loan-to-deposit ratio is considered reasonable given the institution’s size, financial condition, and local credit needs.

Lending In Assessment Areas

To determine the institution's volume of lending within its assessment areas, FCB's 2023 small business lending and 2023 HMDA lending, was considered. The lending distribution inside and outside of the bank's combined assessment areas is represented in the following table.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	\$ (000)	%	#	%	\$ (000)	%
Home Purchase	43	78.2	34,190	83.6	12	21.8	6,690	16.4
Home Improvement	3	75.0	3,950	97.7	1	25.0	95	2.3
Refinancing	12	63.2	8,468	82.5	7	36.8	1,792	17.5
Multi-Family Housing	4	66.7	14,641	86.9	2	33.3	2,209	13.1
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
Total HMDA related	62	73.8	61,249	85.0	22	26.2	10,786	15.0
Small Business	60	68.2	18,574	65.5	28	31.8	9,772	34.5
TOTAL LOANS	122	70.9	79,823	79.5	50	29.1	20,558	20.5

As indicated in the preceding table, the majority of the total number of loans (70.9%) and the dollar amount of loans (79.5%) was extended within the assessment areas. Overall, the institution's level of lending within its assessment areas is considered reasonable.

Lending To Borrowers of Different Incomes and To Businesses of Different Sizes

While the bank's borrower distribution performance for HMDA loans and small businesses having annual revenues of \$1 million or less varied by State, overall it was considered poor. For South Carolina, HMDA lending was considered very poor while small business lending was considered reasonable with a poor overall borrower distribution. For North Carolina, the overall distribution was excellent. HMDA lending was considered reasonable while small business lending was considered excellent. Further details with respect to the loan distribution are provided within each respective assessment area section.

Geographic Distribution of Loans

The bank's geographic distribution of HMDA and small business loans in low- and moderate-income census tracts was reasonable in both North and South Carolina overall, but varied at the product level. The distribution in the South Carolina for HMDA lending was reasonable while small business was excellent. The distribution in North Carolina for HMDA lending was excellent while the small business lending was considered reasonable. Lending patterns did identify some gaps in various low- and moderate-income census tracts in the Charleston-North Charleston, SC MSA; however, after a complete analysis, which considered loan demand according to aggregate data as well as the bank's capacity, locations, number of branches, volume of competition and establishment in the assessment areas, loan penetration is considered reasonable. Further details with respect to the geographic loan distribution are provided within each respective assessment area section.

Community Development Loans, Investments, and Services

FCB's support of community development initiatives and organizations within its assessment areas is considered responsive. Overall, the bank provides an adequate level of qualified community development loans, investments, and services. Accordingly, the Community Development Test is rated Satisfactory. The bank faces no constraints preventing it from originating community development loans, making qualified investments, and providing community development services.

Designated Area	Community Development Test					
	CD Lending		Investments			Services
	#	\$	#	\$	Donations - \$	Service Activities
Charleston/North Charleston SC MSA	11	\$7,654,453	2	\$2,466,117	\$109,952	16
Marlboro County, SC	0	\$0	0	\$0	\$0	0
South Carolina	2	\$200,000	0	\$0	\$0	0
Scotland County, NC	7	\$1,427,000	0	\$0	\$112	2
Pinehurst Southern Pines, NC	0	\$0	0	\$0	\$0	1
North Carolina	0	\$0	0	\$0	\$0	0
Total for Institution	20	\$9,281,453	2	2466117	110064	19

Detailed listings of the bank's community development activities are included in the respective sections of this evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

SOUTH CAROLINA

CRA RATING FOR STATE OF SOUTH CAROLINA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors supporting this rating include:

- The bank's borrower distribution performance is considered very poor for HMDA lending and reasonable for small business lending. Overall, the bank's borrower distribution performance is considered poor.
- FCB's geographic distribution is considered reasonable for HMDA lending and excellent for small business lending. Overall, the bank's geographic distribution performance is considered reasonable.
- During the evaluation period, the bank participated in an adequate level of community development activities within South Carolina.

SCOPE OF EXAMINATION

The lending test review considered all small business and HMDA loans originated in 2023. All qualified community development loans and services provided since the previous evaluation (July 26, 2021) and all qualified investments made during this same period and those outstanding as of the date of this evaluation, within the designated assessment area or within the State of South Carolina were considered. To help determine the availability of community development opportunities in specific assessment areas, the CRA public evaluations of other financial institutions operating in these areas were reviewed. Additionally, members of the community were contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment areas, as well as potential community development opportunities.

The bank currently has delineated one assessment area in the State of South Carolina. The Charleston-North Charleston SC MSA which was evaluated using the FFIEC's full-scope evaluation procedures. As such, ratings for the state are based solely on the bank's performance in the Charleston-North Charleston, SC MSA.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SOUTH CAROLINA

FCB's operations in South Carolina are predominantly defined within the Charleston-North Charleston, SC MSA. The Marlboro County, SC NonMSA assessment area was eliminated early in the examination period with the closing of its only branch. FCB currently operates three full-service branches and one LPO within the Charleston-North Charleston, SC MSA. Since the previous evaluation, the bank opened one new branch, one new LPO, and relocated a branch within the assessment area. The new branch was opened in November 2021, the new LPO was opened in July 2024, and the relocation of a branch in December 2022. According to FDIC deposit data as of June 30, 2024, the bank ranked 8th out of 36 institutions in local deposit market share, holding 3.2% of the deposits in the assessment area. The 2023 HMDA peer aggregate data indicates that the institution ranks 77th out of 599 lenders and maintained approximately .2% of the market share for loan originations.

According to 2020 ACS data, the assessment area has a population of 799,636 and a median housing value of \$249,841. The owner occupancy rate within the area equals 59.1%, which is slightly lower than the statewide rate (59.3%). Within the assessment area, 8.2% of families are considered below the poverty level, which is lower than the percentage of such families in the State of South Carolina (10.5%). The estimated median family income in 2023 for the Charleston-North Charleston, SC MSA equals \$101,300. The following table provides additional demographic data for the assessment area during 2023.

2023 Charleston-North Charleston, SC MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	13	7.3	10,911	5.8	2,953	27.1	41,938	22.1
Moderate	48	27.0	47,946	25.3	6,788	14.2	32,691	17.2
Middle	56	31.5	62,858	33.1	3,774	6.0	38,068	20.1
Upper	56	31.5	66,900	35.3	1,827	2.7	77,056	40.6
Unknown	5	2.8	1,138	0.6	174	15.3	0	0.0
Total AA	178	100.0	189,753	100.0	15,516	8.2	189,753	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	21,855	9,212	4.6	42.2	9,346	42.8	3,297	15.1
Moderate	88,303	45,614	22.8	51.7	33,705	38.2	8,984	10.2
Middle	107,910	67,389	33.6	62.4	31,268	29.0	9,253	8.6
Upper	116,205	76,997	38.4	66.3	23,788	20.5	15,420	13.3
Unknown	4,967	1,201	0.6	24.2	1,427	28.7	2,339	47.1
Total AA	339,240	200,413	100.0	59.1	99,534	29.3	39,293	11.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2,672	6.4	2,431	6.3	215	9.1	26	7.0
Moderate	9,469	22.9	8,780	22.7	615	26.0	74	19.8
Middle	12,318	29.7	11,617	30.0	586	24.8	115	30.8
Upper	16,416	39.6	15,368	39.7	897	38.0	151	40.5
Unknown	553	1.3	497	1.3	49	2.1	7	1.9
Total AA	41,428	100.0	38,693	100.0	2,362	100.0	373	100.0
Percentage of Total Businesses:				93.4		5.7		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	25	6.9	24	6.7	1	14.3	0	0.0
Moderate	96	26.4	94	26.3	2	28.6	0	0.0
Middle	133	36.5	131	36.7	2	28.6	0	0.0
Upper	108	29.7	106	29.7	2	28.6	0	0.0
Unknown	2	0.5	2	0.6	0	0.0	0	0.0
Total AA	364	100.0	357	100.0	7	100.0	0	0.0
Percentage of Total Farms:				98.1		1.9		0.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

The economic drivers for the area are military bases, tourism, government, manufacturing, industry, education, and healthcare. The following table provides annual average unemployment rate information for the assessment area and the state since 2019.

Charleston-North Charleston, SC MSA Unemployment Rates					
Area	2019	2020	2021	2022	2023
Charleston-North Charleston, SC MSA	2.3%	5.8%	3.6%	2.8%	2.5%
Berkeley County, SC	2.5%	5.4%	3.6%	3.0%	2.7%
Charleston County, SC	2.2%	6.1%	3.5%	2.7%	2.4%
Dorchester County, SC	2.4%	5.6%	3.6%	2.9%	2.6%
South Carolina	2.8%	6.0%	3.9%	3.2%	3.0%
Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics					

Since 2020, the area’s unemployment rates have been trending downward. Unemployment rates in the counties, the MSA, and the State have all trended in the same direction.

Community officials representing economic development organizations were contacted during the evaluation to discuss local credit needs. The contacts noted that there were a large variety of credit needs for all types of businesses in the area, which included small businesses and startups. One contact conveyed the willingness and availability of banks in trying to meet those needs and acknowledged that numerous banks were open to making lending available, particularly smaller community banks who were both actively seeking lending opportunities and engaged in community development. The contacts also spoke about the residential needs of the community and felt that the banks were meeting those needs but could not identify a specific lack of credit funding for any particular area or income class. One of the contacts stated that affordable housing was limited and that they were working on an affordable workforce housing project in which several banks have expressed an interest in participating. The officials, overall, felt like financial institutions are willing to provide services, are actively involved with community economic development, and are meeting the business credit needs of the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The Lending Test for the State of South Carolina is rated “Satisfactory.” The Community Development Test is also rated “Satisfactory.” The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

During 2023, the bank originated HMDA loans totaling \$45.4 million and small business loans totaling \$17.1 million within the assessment area. Accordingly, the bank’s HMDA lending performance is given more weight when evaluating the bank’s overall lending performance. The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

Lending To Borrowers of Different Incomes and To Businesses of Different Sizes

Within this assessment area, the bank’s borrower distribution of HMDA loans reflects a very poor penetration while small business lending reflects a reasonable penetration. Given the relative loan volume and strength of performance for each product the bank’s overall performance is considered poor.

HMDA Lending

FCB’s borrower distribution performance of HMDA lending is considered very poor overall. From a product category perspective, home purchase lending is very poor while refinance performance is poor. Home purchase performance was weighted more heavily because of the substantially larger dollar volume of such lending within the assessment area during 2023. Performance for the home improvement loan category was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2023 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Charleston-North Charleston, SC MSA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans							
Low	0	0.0	3.3	0	0.0	1.3	22.1
Moderate	2	5.4	17.2	250	0.8	11.2	17.2
Middle	1	2.7	20.9	350	1.1	17.1	20.1
Upper	18	48.6	33.5	21,042	63.7	46.6	40.6
Unknown	16	43.2	25.1	11,395	34.5	23.8	0.0
Total	37	100.0	100.0	33,037	100.0	100.0	100.0
Refinance Loans							
Low	1	9.1	10.9	165	2.0	5.9	22.1
Moderate	1	9.1	20.3	100	1.2	13.5	17.2
Middle	0	0.0	21.1	0	0.0	16.5	20.1
Upper	5	45.5	31.8	4,780	56.7	42.3	40.6
Unknown	4	36.4	15.9	3,383	40.1	21.8	0.0
Total	11	100.0	100.0	8,428	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	6.0	0	0.0	2.4	22.1
Moderate	0	0.0	15.9	0	0.0	8.2	17.2
Middle	0	0.0	22.1	0	0.0	13.9	20.1
Upper	1	33.3	52.4	1,450	36.7	69.5	40.6
Unknown	2	66.7	3.7	2,500	63.3	6.0	0.0
Total	3	100.0	100.0	3,950	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	1	2.0	4.8	165	0.4	2.0	22.1
Moderate	3	5.9	17.4	350	0.8	11.2	17.2
Middle	1	2.0	21.1	350	0.8	16.8	20.1
Upper	24	47.1	35.5	27,272	60.1	47.4	40.6
Unknown	22	43.1	21.2	17,278	38.0	22.6	0.0
Total	51	100.0	100.0	45,415	100.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Home Purchase Lending

The bank made no (0%) home purchase loans to low-income borrowers; however, the demographic and aggregate data indicate that there is opportunity to make such loans with 22.1% of area low-income families in the area and 3.3% of the aggregate level of lending. The bank's lending to moderate-income borrowers (5.4%) lagged the percentage of area moderate-income families (17.2%) and the level of aggregate lending (17.2%) for 2023. The bank's home purchase lending performance is considered very poor overall.

Refinance Lending

FCB's refinance lending to low-income borrowers (9.1%) lagged the percentage of area low-income families (22.1%) but approximated the aggregate level of lending (10.9%). Bank lending to moderate-income borrowers (9.1%) lagged both the percentage of area moderate-income families (17.2%) and the aggregate level of lending (20.3%). The bank's refinance lending performance is considered poor overall.

Small Business Lending

The bank's small businesses borrower distribution performance is considered reasonable.

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Charleston-North Charleston, SC MSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	25	45.5	51.7	6,182	36.2	34.6	93.4
Over \$1 Million	30	54.5		10,879	63.8		5.7
Revenue Unknown	0	0.0		0	0.0		0.9
Total	55	100.0		17,061	100.0		100.0
By Loan Size							
\$100,000 or Less	19	34.5	93.0	1,006	5.9	39.0	
\$100,001 - \$250,000	14	25.5	3.9	2,266	13.3	17.1	
\$250,001 - \$1 Million	22	40.0	3.2	13,789	80.8	43.9	
Total	55	100.0	100.0	17,061	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	8	32.0		361	5.8		
\$100,001 - \$250,000	9	36.0		1,354	21.9		
\$250,001 - \$1 Million	8	32.0		4,467	72.3		
Total	25	100.0		6,182	100.0		
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

FCB's level of lending to businesses with annual revenues of \$1 million or less (45.5%) lagged the percentage of area businesses having revenues of \$1 million or less (93.4%) but was comparable to the aggregate level of lending (51.7%). The remaining percentage of small business loans reported by the aggregate lenders either had revenue exceeding \$1 million per year or revenues were unknown. With respect to the distribution by loan size, 34.5% of the bank's small business loans, in loan amounts of \$100,000 or less, were compared to the aggregate reporters at 93%. Overall, the bank's performance is reasonable and is driven by its level of small business lending by revenue compared to the aggregate reporters' level of lending.

Geographic Distribution of Loans

The bank's geographic distribution of HMDA lending is considered reasonable and is excellent for small business lending. Given the relative loan volumes and strength of performance for each product, the bank's overall performance is considered reasonable.

HMDA Lending

FCB's geographic distribution performance of HMDA lending is considered reasonable overall. From a loan category perspective, performance of the bank's home purchase loans is poor, while the refinance performance is reasonable. While the home purchase lending carries more volume, the refinance lending strength of performance contributes to the overall performance conclusion. The strength of performance in each category was a material factor in determining the bank's overall performance.

Distribution of 2023 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Charleston-North Charleston, SC MSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	
Home Purchase Loans							
Low	1	2.7	3.0	150	0.5	1.9	4.6
Mode rate	4	10.8	19.9	2,525	7.6	14.6	22.8
Middle	10	27.0	36.3	3,558	10.8	32.9	33.6
Upper r	19	51.4	40.3	25,353	76.7	49.8	38.4
Unkn own	3	8.1	0.4	1,451	4.4	0.8	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	37	100.0	100.0	33,037	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	3.8	0	0.0	2.6	4.6
Mode rate	3	27.3	20.5	900	10.7	14.2	22.8
Middle	2	18.2	35.3	810	9.6	29.0	33.6
Upper r	6	54.5	39.7	6,718	79.7	52.5	38.4
Unkn own	0	0.0	0.7	0	0.0	1.7	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	11	100.0	100.0	8,428	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	1.6	0	0.0	1.1	4.6
Mode rate	0	0.0	13.1	0	0.0	8.5	22.8
Middle	1	33.3	33.3	500	12.7	24.1	33.6
Upper r	2	66.7	51.3	3,450	87.3	65.2	38.4
Unkn own	0	0.0	0.8	0	0.0	1.1	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	3	100.0	100.0	3,950	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	1	25.0	18.3	1,850	12.6	3.9	7.1
Mode rate	0	0.0	30.0	0	0.0	31.5	26.6
Middle	3	75.0	30.0	12,791	87.4	18.8	30.0
Upper r	0	0.0	20.0	0	0.0	45.6	33.6
Unknown	0	0.0	1.7	0	0.0	0.2	2.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	4	100.0	100.0	14,641	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	2	3.6	3.0	2,000	3.3	2.0	4.6
Mode rate	7	12.7	19.0	3,425	5.7	15.0	22.8
Middle	16	29.1	35.8	17,659	29.4	31.2	33.6
Upper r	27	49.1	41.7	35,521	59.1	51.0	38.4
Unkn own	3	5.5	0.5	1,451	2.4	0.9	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	55	100.0	100.0	60,056	100.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Home Purchase Lending

The bank's level of home purchase lending in low-income tracts (2.7%) lagged the percentage of owner-occupied housing units located in such tracts (4.6%) and approximated the aggregate reporter's level of lending (3%) in low-income tracts. FCB's level of lending in moderate-income tracts (10.8%) lagged both the percentage of owner-occupied housing units located in moderate-income tracts (22.8%) and the aggregate reporter's level of lending (19.9%) in such tracts. The bank's geographic distribution of home purchase lending was considered poor.

Refinance Lending

The bank made no (0%) refinance loans to low-income tracts; however, the demographic and aggregate data indicate that there is opportunity to make such loans with 4.6% of owner-occupied housing units and 3.8% of the aggregate level of lending. FCB's level of lending in moderate-income tracts (27.3%) exceeded both the percentage of owner-occupied housing units located in moderate-income tracts (22.8%) and the aggregate reporter's level of lending (20.5%) in such tracts. Overall, the bank's geographic distribution of refinance lending was considered reasonable.

Small Business Lending

FCB's small business loan performance is considered excellent.

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Charleston-North Charleston, SC MSA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	8	14.5	5.6	951	5.6	6.3	6.4
Moderate	10	18.2	19.1	2,212	13.0	20.8	22.9
Middle	10	18.2	29.7	5,236	30.7	25.7	29.7
Upper	27	49.1	43.9	8,662	50.8	45.0	39.6
Unknown	0	0.0	1.5	0	0.0	2.1	1.3
Tract-Unk	0	0.0	0.3	0	0.0	0.1	
Total	55	100.0	100.0	17,061	100.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2023 Dun & Bradstreet Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

The bank's small business lending in low-income census tracts (14.5%) substantially exceeded both the aggregate level of lending (5.6%) and the percentage of businesses (6.4%) in the area. Lending in moderate-income census tracts (18.2%) was comparable to both the aggregate level of lending (19.1%) and the percentage of businesses (22.9%) in the area. Overall, FCB's geographic distribution of small business lending is considered excellent, and this conclusion is driven by the performance in low-income tracts.

Community Development Loans, Investments, and Services

Overall, FCB demonstrated an adequate level of responsiveness to local community development needs through its lending, investment, and service activities that support area organizations and facilitate community development within the assessment area during the evaluation period. Opportunities for community development lending, investments, and services are reasonably available within the assessment area based upon discussions with community members knowledgeable of the local community and the review of performance evaluations of other similarly situated local financial institutions. The bank faces no significant constraints in providing such loans, investments, and services given its capacity, market position, and business strategy.

The following community development activities were performed within the Charleston-North Charleston, SC MSA assessment area during the evaluation period.

- Ten loans totaling \$7.2 million that provide affordable housing to low- and moderate-income families. The organizations receiving funding are specifically designated to provide affordable housing and most are non-profit entities.
- One loan totaling \$430,000 to a non-profit organization that provides services to low- and moderate-income individuals and families, specifically young single homeless mothers.
- Two investments for approximately \$2.5 million, to mortgaged backed securities, specifically containing a pool of qualified CRA loans within the MSA.
- Eighteen donations totaling \$109,952 were made within the MSA, to qualifying organizations or activities that support community development.
- Bank employees provided financial expertise to sixteen organizations or activities that support community development.

NORTH CAROLINA

CRA RATING FOR STATE OF NORTH CAROLINA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors supporting this rating include:

- The bank's borrower distribution is considered reasonable for HMDA and excellent for small business lending. Overall, the bank's borrower distribution performance is considered excellent.
- The bank's geographic distribution is considered excellent for HMDA and reasonable for small business lending. Overall, the bank's geographic distribution performance is considered reasonable.
- During the evaluation period, the bank participated in an adequate level of community development activities within North Carolina

SCOPE OF EXAMINATION

The lending test review considered all small business and HMDA loans originated in 2023. All qualified community development loans and services provided since the previous evaluation (July 26, 2021) and all qualified investments made during this same period and those outstanding as of the date of this evaluation, within the designated assessment area or within the State of North Carolina were considered. To determine the availability of community development opportunities in specific assessment areas, the CRA public evaluations of other financial institutions operating in these areas were reviewed. Additionally, a member of the community was contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment areas, as well as potential community development opportunities.

Currently, the bank has delineated two assessment areas in the State of North Carolina; the Scotland County, NC NonMSA assessment area, which was evaluated using the FFIEC's full-scope evaluation procedures and the Pinehurst Southern Pines, NC MSA assessment area. As previously detailed, given the timing of the bank's delineation of the Pinehurst Southern Pines, NC assessment area (August 2024), it was not evaluated during this evaluation. As such, ratings for the state are based solely on the bank's performance in the Scotland County, NC NonMSA.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SCOTLAND COUNTY, NC NONMSA ASSESSMENT AREA

FCB currently operates two full-service branches within the two assessment areas. The Pinehurst assessment area was created after the bank opened a new full-service branch (replacing an existing LPO) in August 2024. Within the bank's Scotland County, NC NonMSA assessment area, FCB is ranked 5th out of six institutions in local deposit market share with 9.7% of the available FDIC insured deposits (excluding credit unions) as of June 30, 2024.

According to 2020 ACS data, the Scotland County, NC NonMSA assessment area had a population of 34,174 and a median housing value of \$87,634. The owner occupancy rate within the area equals 50.5%, which is slightly lower than the rate in the nonmetropolitan areas of the state (53.4%) as well as the statewide rate (56.5%). Within the assessment area, 23.3% of families are considered below the poverty level, which is much higher than the percentage of such families in the nonmetropolitan areas of the state (13.1%) as well as the State of North Carolina (10%). The estimated median family income in 2023 for nonmetropolitan areas in North Carolina equals \$70,400. The following table provides relevant demographic data for the assessment area during 2023.

2023 Scotland County, NC NonMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	11.1	989	12.0	355	35.9	2,579	31.4
Moderate	4	44.4	3,902	47.5	1,006	25.8	1,534	18.7
Middle	4	44.4	3,320	40.4	548	16.5	1,456	17.7
Upper	0	0.0	0	0.0	0	0.0	2,642	32.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	8,211	100.0	1,909	23.2	8,211	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,935	721	9.3	37.3	876	45.3	338	17.5
Moderate	7,300	3,327	42.9	45.6	2,900	39.7	1,073	14.7
Middle	6,108	3,701	47.8	60.6	1,426	23.3	981	16.1
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	15,343	7,749	100.0	50.5	5,202	33.9	2,392	15.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	134	13.8	122	13.5	12	20.7	0	0.0
Moderate	537	55.2	496	55.0	33	56.9	8	61.5
Middle	301	31.0	283	31.4	13	22.4	5	38.5
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	972	100.0	901	100.0	58	100.0	13	100.0
Percentage of Total Businesses:				92.7		6.0		1.3
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2	6.3	2	6.5	0	0.0	0	0.0
Moderate	17	53.1	16	51.6	1	100.0	0	0.0
Middle	13	40.6	13	41.9	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	32	100.0	31	100.0	1	100.0	0	0.0
Percentage of Total Farms:				96.9		3.1		0.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

According to data published by the FFIEC in 2023, all four of the assessment area's middle-income census tracts were designated as distressed due to poverty and unemployment. The middle-income tracts were also considered distressed in 2022. The economy of the assessment area is very small and has just a few main sources which consist of the local hospital, school district, NC Department of Corrections, the County, and some small manufacturing businesses. The following chart provides

unemployment rate information for the assessment area and indicates a high unemployment rate for the assessment area compared to the nonmetropolitan areas of the state and the statewide area. Since 2020, the area's unemployment rates have been trending downward. Unemployment rates in the counties, the MSA, and the State have all trended in the same direction.

Scotland County, NC NonMSA Unemployment Rates					
Area	2019	2020	2021	2022	2023
Scotland County, NC NonMSA	6.5%	11.9%	9.5%	6.5%	6.3%
NonMSA North Carolina	4.4%	7.4%	5.5%	4.2%	3.9%
North Carolina	3.9%	7.2%	4.9%	3.7%	3.5%
Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics					

A community official representing an economic development organization was contacted during the evaluation to discuss local credit needs. The contact noted that loan demand in the county was stable but limited for both residential and businesses. Affordable housing supply was also very limited, as indicated by the contact, and the area has a need for entry level housing. The official noted that the demand for all types of housing options was limited and moved extremely fast, with some demand coming from military retirees from nearby bases. The contact stated that the local banks were very active in the community and seemed committed to serve area needs for both housing and businesses. The official felt like startups and small businesses had been able to obtain financing from local banks or other sources in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The Lending Test for the State of North Carolina is rated "Satisfactory." The Community Development Test is also rated "Satisfactory." The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

During 2023, the bank originated HMDA loans totaling \$1.2 million and small business loans totaling \$1.5 million within the assessment area. Accordingly, the bank's small business lending performance is given slightly more weight when evaluating the bank's overall lending performance.

Lending To Borrowers of Different Incomes and To Businesses of Different Sizes

Within this assessment area, the bank's borrower distribution of HMDA lending reflects a reasonable penetration while small business lending reflects excellent penetration. Given the relative loan volume and strength of performance for each product, the bank's overall performance is considered excellent.

HMDA Lending

FCB's borrower distribution performance of HMDA lending is considered reasonable overall. From a product category perspective, home purchase lending is reasonable while refinance performance, though based on only one loan, is very poor. Home purchase performance was weighted more heavily because of the substantially larger dollar volume of such lending within the assessment area during 2023. Performance for the home improvement loan category was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2023 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Scotland County, NC NonMSA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$ (000)	\$%	\$%	
Home Purchase Loans							
Low	2	33.3	8.5	158	13.7	3.5	31.4
Moderate	0	0.0	21.3	0	0.0	15.9	18.7
Middle	1	16.7	26.7	245	21.2	26.5	17.7
Upper	0	0.0	24.9	0	0.0	33.0	32.2
Unknown	3	50.0	18.5	750	65.0	21.1	0.0
Total	6	100.0	100.0	1,153	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	15.9	0	0.0	9.2	31.4
Moderate	0	0.0	12.5	0	0.0	8.9	18.7
Middle	0	0.0	18.2	0	0.0	16.4	17.7
Upper	0	0.0	39.8	0	0.0	49.6	32.2
Unknown	1	100.0	13.6	40	100.0	15.9	0.0
Total	1	100.0	100.0	40	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	31.4
Moderate	0	0.0	4.5	0	0.0	3.7	18.7
Middle	0	0.0	40.9	0	0.0	28.9	17.7
Upper	0	0.0	54.5	0	0.0	67.5	32.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	2	28.6	9.6	158	13.2	4.4	31.4
Moderate	0	0.0	19.2	0	0.0	14.5	18.7
Middle	1	14.3	24.4	245	20.5	24.3	17.7
Upper	0	0.0	31.1	0	0.0	37.8	32.2
Unknown	4	57.1	15.7	790	66.2	18.9	0.0
Total	7	100.0	100.0	1,193	100.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Home Purchase Lending

FCB's lending to low-income borrowers (33.3%) exceeded the percentage of area low-income families (31.4%) and significantly exceeded the aggregate level of lending (8.5%). The bank made no (0%) loans to moderate-income borrowers; however, the demographic and aggregate data indicate that there is opportunity to make such loans, with 18.7% of area moderate-income families in the area and 21.3% of the aggregate level of lending. Overall, FCB's home purchase lending performance is considered reasonable.

Refinance Lending

FCB made no refinance loans to low-income borrowers (0%) which significantly lagged both the percentage of area low-income families (31.4%) and the aggregate level of lending (15.9%). Additionally, the bank made no refinance loans to moderate-income borrowers (0%) which also significantly lagged both the percentage of area moderate-income families (18.7%) and the aggregate level of lending (12.5%). The borrower distribution performance for refinance lending is considered very poor.

Small Business Lending

The bank's small businesses borrower distribution performance is considered excellent.

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Scotland County, NC NonMSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	5	100.0	55.4	1,513	100.0	48.2	92.7
Over \$1 Million	0	0.0		0	0.0		6.0
Revenue Unknown	0	0.0		0	0.0		1.3
Total	5	100.0		1,513	100.0		100.0
By Loan Size							
\$100,000 or Less	1	20.0	97.0	87	5.8	55.0	
\$100,001 - \$250,000	3	60.0	1.2	486	32.1	10.4	
\$250,001 - \$1 Million	1	20.0	1.8	940	62.1	34.6	
Total	5	100.0	100.0	1,513	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	1	20.0		87	5.8		
\$100,001 - \$250,000	3	60.0		486	32.1		
\$250,001 - \$1 Million	1	20.0		940	62.1		
Total	5	100.0		1,513	100.0		
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

FCB's level of lending to businesses with annual revenues of \$1 million or less (100%) substantially exceeded the aggregate level of lending (55.4%) and also exceeded the percentage of area businesses having revenues of \$1 million or less (92.7%). The remaining percentage of small business loans reported by the aggregate lenders either had revenue exceeding \$1 million per year or revenues were unknown. With respect to the distribution by loan size, 20% of the bank's small business loans, in loan amounts of \$100,000 or less were compared to the aggregate reporters at 97%. Overall, the bank's performance is excellent and is driven by its level of small business lending by revenue compared to the aggregate reporters' level of lending.

Geographic Distribution of Loans

The bank's geographic distribution of HMDA lending is considered excellent and small business lending is considered reasonable. Given the relative loan volumes and strength of performance for each product, the bank's overall performance is considered reasonable.

HMDA Lending

FCB's geographic distribution performance of HMDA lending is considered excellent overall. From a loan category perspective, performance of the bank's home purchase loans is excellent, while the refinance performance is very poor. In reaching the overall conclusion, home purchase performance was weighted more heavily because of the substantially larger dollar volume of such lending within the assessment area during 2023. Given the lack of home improvement and multifamily loans originated by the bank during 2023, performance of the bank's home improvement and multifamily loans was not evaluated or considered in this assessment area.

Distribution of 2023 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Scotland County, NC NonMSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans							
Low	3	50.0	8.5	712	61.8	5.3	9.3
Moderate	2	33.3	45.6	296	25.7	42.4	42.9
Middle	1	16.7	45.9	145	12.6	52.2	47.8
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	6	100.0	100.0	1,153	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	6.8	0	0.0	3.2	9.3
Moderate	0	0.0	45.5	0	0.0	38.0	42.9
Middle	1	100.0	47.7	40	100.0	58.8	47.8
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	40	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	4.5	0	0.0	4.6	9.3
Moderate	0	0.0	31.8	0	0.0	27.3	42.9
Middle	0	0.0	63.6	0	0.0	68.1	47.8
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	12.2
Moderate	0	0.0	0.0	0	0.0	0.0	70.7
Middle	0	0.0	0.0	0	0.0	0.0	17.1
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	0.0	0	0.0	0.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	3	42.9	7.7	712	59.7	4.8	9.3
Moderate	2	28.6	45.5	296	24.8	41.8	42.9
Middle	2	28.6	46.8	185	15.5	53.4	47.8
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	7	100.0	100.0	1,193	100.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Home Purchase Lending

The bank's level of home purchase lending in low-income tracts (50%) significantly exceeded the percentage of owner-occupied housing units located in low-income tracts (9.3%) and the aggregate reporter's level of lending (8.5%) in such tracts. FCB's level of lending in moderate-income tracts (33.3%) lagged the percentage of owner-occupied housing units located in moderate-income tracts (42.9%) and the aggregate reporter's level of lending (45.6%) in such tracts. The bank's geographic distribution of home purchase lending was considered excellent.

Refinance Lending

The bank made no (0%) refinance loans to low-income tracts; however, the demographic and aggregate data indicate that there is opportunity to make such loans with 9.3% of owner-occupied housing units and 6.8% of the aggregate level of lending. FCB's also made no (0%) in moderate-income tracts, which significantly lagged the percentage of owner-occupied housing units located in moderate-income tracts (42.9%) and the aggregate reporter's level of lending (45.5%) in such tracts. The bank's geographic distribution of refinance lending was considered very poor.

Small Business Lending

FCB's small business loan performance is considered reasonable.

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Scotland County, NC NonMSA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$ (000)	\$%	\$%	
Low	0	0.0	7.8	0	0.0	10.9	13.8
Moderate	2	40.0	53.9	1,027	67.9	68.4	55.2
Middle	3	60.0	37.1	486	32.1	20.5	31.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	1.2	0	0.0	0.2	
Total	5	100.0	100.0	1,513	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

The bank's level of lending in low-income census tracts (0%) lagged the aggregate level of lending (7.8%) as well as the percentage of small businesses (13.8%) located in such tracts. The bank's level of lending in moderate-income census tracts (40%) lagged both the aggregate level of lending (53.9%) and the percentage of area businesses (55.2%) in such tracts. Overall, the bank's geographic distribution of small business lending was considered reasonable.

Community Development Loans, Investments, and Services

Overall, the bank demonstrated an adequate level of responsiveness to local community development needs through its lending, investment, and service activities that support area organizations and facilitate community development within the assessment area during the evaluation period. Opportunities for community development lending, investments, and services are reasonably available within the assessment area based upon discussions with community members knowledgeable of the local community and the review of performance evaluations of other similarly situated local financial institutions. The bank faces no significant constraints in providing such loans, investments, and services given its capacity, market position, and business strategy.

The following Community Development activities were performed within the Scotland County assessment area or within North Carolina during the evaluation period. .

- Seven affordable housing loans totaling \$1.4 million to organizations that provide qualified affordable housing to low- and moderate-income families. The qualifying loans were also located within low- and moderate-income census tracts.
- The bank recorded one donation for \$112. The organization provides community services to low- and moderate-income families throughout the area.
- Two community service activities were performed by three bank employees providing financial expertise to various organizations, representing affordable housing and community services.

CRA APPENDIX A
SCOPE OF EXAMINATION

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED¹	OTHER INFORMATION
Charleston-North Charleston, SC MSA	Full-Scope	None	None
Scotland County, NC NonMSA	Full-Scope	None	None
Marlboro County, SC NonMSA	Limited-Scope	None	None
Pinehurst-Southern Pines, NC MSA	Limited-Scope	None	None

¹ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

CRA APPENDIX B

SUMMARY OF STATE RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Community Development Test Rating	Overall Rating
State of South Carolina	Satisfactory	Satisfactory	Satisfactory
State of North Carolina	Satisfactory	Satisfactory	Satisfactory

CRA APPENDIX C

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices, along with deposit and loan volume, by assessment area. The deposit volume is as of June 30, 2024, while the loan volume includes 2023 small business and HMDA loans extended within the bank's assessment areas. As previously detailed, the bank's assessment areas have undergone changes since the prior evaluation. FCB closed its branch office in Marlboro County, SC in May 2022, which eliminated that assessment area. Additionally, in August 2024, the bank converted an LPO in Moore County, NC into a full service branch office which added the Pinehurst-Southern Pines, NC MSA market to the bank's assessment areas. Given the timing of those changes, neither area was included in this evaluation. Since it is a current assessment area, the Pinehurst-Southern Pines, NC MSA market is included in the table below.

Assessment Area	Loan Volume				Branches		Deposit Volume as of 6/30/2024	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Charleston-North Charleston SC MSA	110	90.2%	\$77,117	96.6%	3	60.0%	\$689,588	94.4%
Scotland County, NC	12	9.8%	\$2,706	3.4%	1	20.0%	\$41,264	5.6%
Pinehurst-Southern Pines, NC MSA	0	0.0%	\$0	0.0%	1	20.0%	\$0	0.0%
Total	122	100.0%	\$79,823	100.0%	5	100%	\$730,852	100.0%

CRA APPENDIX D

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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - (A) Rates of poverty, unemployment, and population loss; or
 - (B) Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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, which 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).

Full-scope review: Performance under the Lending and Community Development Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending and Community Development Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

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