



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, DC 20551

October 17, 2018

Mr. Neal Wilson  
EJF Capital LLC  
2107 Wilson Boulevard, Suite 410  
Arlington, Virginia 22201

Dear Mr. Wilson:

This letter responds to your request dated July 24, 2018, on behalf of EJF Capital LLC (together with its subsidiaries and affiliates, "EJF"), Arlington, Virginia, for complete relief from commitments EJF made to the Board in connection with its acquisition, in 2013, of 10,000 shares of the Series B Non-Cumulative Perpetual Preferred Stock of HomeBancorp, Inc. ("Home"), Tampa, Florida, and warrants representing approximately 9 percent of Home's common equity. The commitments were intended to ensure that EJF would not exercise a controlling influence over Home for purposes of the Bank Holding Company Act of 1956, as amended.

In 2016, Home redeemed the preferred shares held by EJF, and EJF purchased \$8 million of Home's subordinated debt. In April 2018, First Citizens BancShares, Inc. ("First Citizens"), Raleigh, North Carolina, acquired and merged with Home. In connection with the transaction, EJF received cash for its Home warrants, and First Citizens assumed the \$8 million of subordinated debt of Home held by EJF. Currently, EJF owns approximately 1 percent of the common shares of First Citizens, which it acquired on the open market in July 2018, and holds and serves as collateral manager for the subordinated debt.

Home no longer exists, and EJF owns less than 1 percent of the common stock of and is presumed not to control First Citizens. In addition, EJF has represented that it does not have: representation or the contractual right to representation on the board of directors of First Citizens or any of its affiliates; existing or contemplated employee interlocks with First Citizens or any of its affiliates; formal or informal agreements with First Citizens relating to its management or policies or those of any of its affiliates; or any relationships with other shareholders of First Citizens through which

EJF might exert influence over First Citizens or any of its affiliates. EJF does not contemplate having any business relationships with First Citizens or any of its affiliates, other than continuing to hold the *de minimis* amount of subordinated debt and to serve as collateral agent for the debt. EJF has represented that it would not exercise or attempt to exercise a controlling influence over First Citizens without the prior approval of the Board if granted relief from the commitments.

Based on all the facts of record, the Director of the Division of Supervision and Regulation, acting pursuant to authority delegated by the Board under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority (12 CFR 265.7(a)(2)), and after consulting with the General Counsel, has approved EJF's request for relief from the commitments provided in connection with EJF's investment in Home. This action is based on the representations and commitments set forth in all of your communications and correspondence related to your request, including the representations discussed above. Any change in the facts presented could result in a different conclusion and should be reported to Board staff immediately. This determination should not be construed as granting relief from any other conditions or commitments to which EJF may be subject.

Very truly yours,



Ann E. Misback  
Secretary of the Board