



PUBLIC DISCLOSURE

April 6, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Century Bank, National Association
Charter Number 24169

807 Dorsey Street
Gainesville, GA 30501

Office of the Comptroller of the Currency

Three Ravinia Drive, Suite 550
Atlanta, Georgia 30346

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the bank. This evaluation is not, and should not be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion, or opinion of the Office of the Comptroller of the Currency concerning the safety and soundness of this bank.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding**.

CONCLUSIONS:

The following findings relative to the bank's performance during the 2019 Strategic Plan year support the overall rating:

- Community Development Lending and Investments exceeded the minimum goal for Outstanding performance during the 2019 plan year.
- Community Development Services (Grants and Donations) met the minimum goal for Outstanding performance during the 2019 plan year.
- Community Development Services (Hours of Service) exceeded the minimum goal for Outstanding performance during the 2019 plan year.

Description of Institution

Background

First Century Bank, National Association (FCB), was established on March 2, 2002, and is a nationally-chartered bank, headquartered at 807 Dorsey Street, Gainesville, Hall County, Georgia. Until December 9, 2019, FCB was affiliated with First Covenant Bank, Commerce, Georgia, a state-chartered (FDIC-supervised) bank under the common ownership and control of a bank holding company, First Century Bancorp, Gainesville, Georgia. On December 9, 2019, First Covenant Bank was merged with and into FCB.

FCB received a Satisfactory rating at its previous OCC CRA Performance Evaluation, dated April 18, 2016, based on the FFIEC's Small Bank CRA Examination Procedures.

Operations

Due to the lack of loan demand, FCB has augmented traditional offerings by delivering technology-embedded services to enhance the growth of core deposits and increase non-interest income. These products and services include: prepaid debit cards for: payroll, gifts, travel, and incentives; data processing/outsourcing for client institutions; ACH, lockbox, and deposit processing services; and, tax-refund anticipation loans. Target markets include: (1) management companies and homeowner associations through cash management solutions that generate low-cost deposits; (2) commercial firms who benefit from services that the bank is able to offer more effectively and efficiently due to the use of its data processing system and access to the payment system; and, (3) treasury management services including prepaid card programs, sponsorship, ACH, lockbox, and wire transfer services. The bank also continues to offer traditional bank products and services including retail banking, commercial banking, on-line banking services and mortgages. The bank's website (www.myfcbusa.com) includes additional detailed information on all bank products and services offered.

Another factor that impacts the bank's ability to meet the credit needs of its assessment area is the highly competitive market within which it operates. In addition to competing with large national and regional financial institutions, the bank competes with a variety of local institutions. The bank also faces competition for deposit and loan products from other non-bank entities, including mortgage loan brokers, finance companies, insurance companies, and money management firms. As of June 30, 2019, there are 18 FDIC-insured financial institutions operating 44 branches in Hall County. FCB is one of only two FDIC-insured institutions headquartered in Hall County, and it is the smallest of the two institutions and last in terms of deposit market share.

FCB's one full-service office is located within a low-income census tract in Gainesville, Hall County, Georgia. A drive-up window is also at this location. The office is considered reasonably accessible to individuals and businesses within the bank's assessment area. FCB does not operate an ATM at this location, and the bank has not opened or closed any branch offices since the previous CRA evaluation in 2016. The bank maintains an administrative office in Roswell, Fulton County, Georgia.

Ability and Capacity

At December 31, 2019, FCB's assets totaled approximately \$467.5 million and included total loans of \$32.4 million and securities and other assets totaling \$435.1 million. The loan portfolio and the securities and other assets portfolio are illustrated in the table below:

Loan and Securities and Other Assets Portfolio Distribution as of 12/31/2019		
Loan Category	(\$000s)	% of Assets
Real Estate	28,560	6.1
Commercial	2,485	0.5
Individual	333	0.1
Other	1,171	0.3
ALL	-181	-nil
Net Loans	32,368	7.0
Securities and Other Asset Categories		
US Treasuries and Agencies	35,233	7.5
Other Securities	8,956	1.9
Interest-Bearing Bank Balances	361,564	77.2
Fed Funds Sold	5,000	1.1
Other Assets	24,383	5.2
Net Securities and Other Asset Categories	435,136	93.0
TOTAL ASSETS	467,504	100.0
Tier One Capital	38,702	8.3
<i>Source: Call Report for 12/31/2019 Quarter</i>		

There are no legal or financial impediments that prevent FCB from meeting the community development needs of its assessment area or the community development goals outlined in the 2019 strategic plan.

Scope of the Evaluation

FCB's CRA performance was evaluated pursuant to the FFIEC's CRA Strategic Plan Examination Procedures. This evaluation includes a full-scope review of the bank's performance in meeting strategic plan goals within the defined assessment area of Hall County, Georgia. Hall County is located within the Gainesville MSA which is a part of the Atlanta-Athens-Clarke County-Sandy Springs, GA-AL Combined Metropolitan Statistical Area.

The bank's CRA strategic plan was approved by the Office of the Comptroller of the Currency (OCC) by letter dated December 19, 2018, with a stated effective date of January 1, 2019. The strategic plan term encompasses calendar years 2019, 2020, and 2021. This evaluation assessed the bank's activities towards meeting each of the performance goals established under the strategic plan for calendar year 2019.

The strategic plan does not cover the timeframe between the prior CRA evaluation dated April 18, 2016, through the effective date of the strategic plan (January 1, 2019). An evaluation of FCB's CRA performance during this timeframe was not conducted because the CRA small bank lending test would not appropriately reflect FCB's focus of meeting the community credit needs, given the bank's strategic focus and nationwide business activities.

This evaluation relied on records and reports provided by FCB, publicly available financial information, demographic data, and information gathered as part of the evaluation process, including two community contacts.

Community Development Activities Reviewed

The Strategic Plan established minimum goals for Satisfactory and Outstanding performance for the following activities:

- Community Development Lending and Investments
- Community Development Services (Grants and Donations)
- Community Development Services (Hours of Service)

The annual goals for community development lending and investment activities are stated as a percentage of the bank's average assets as of the end of the preceding calendar year. More specifically, the average assets are defined as those reported in the Call Report of Condition and Income (Call Report) as of the previous calendar year-end (December 31, 2018).



The annual goals for community services grants and donations and service hours are based on dollar amounts funded and qualified service hours performed, respectively.

Rating

The bank's overall rating is based on the performance as agreed upon in the strategic planning application process.



Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.



State Rating

State of Georgia

CRA Rating for the State of Georgia: Outstanding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE IN GEORGIA:

The bank exceeds its plan goals for a satisfactory rating and substantially achieves its plan goals for an outstanding rating within the state of Georgia.

DISCUSSION OF PERFORMANCE IN HALL COUNTY, GAINESVILLE, GA MSA:

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. FCB has designated Hall County, Georgia, as its CRA assessment area. Hall County is in the Gainesville MSA which is a part of the Atlanta-Athens-Clarke County-Sandy Springs, GA-AL Combined Metropolitan Statistical Area. The assessment area is reasonable, meets the technical requirements of the CRA regulation, and does not arbitrarily exclude any low- and moderate-income areas FCB would reasonably be expected to serve. In establishing the assessment area, consideration was given to the bank's one office and its location. The following sections discuss demographic and economic information of the assessment area:

Demographic and Economic Data

The assessment area includes all 36 census tracts of Hall County, which reflect the following income designations according to the 2015 American Community Survey (ACS) U.S. Census:

- 2 low-income census tracts
- 7 moderate-income census tracts
- 15 middle-income census tracts
- 12 upper-income census tracts



Demographic Information of the Assessment Area – Hall County, Georgia					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	36	5.56	19.44	41.67	33.33
Population by Geography	187,91	6.09	18.90	42.26	32.75
Housing Units by Geography	69,302	5.37	16.15	45.45	33.03
Owner-Occupied Units by Geography	41,434	1.19	12.39	44.65	41.77
Occupied Rental Units by Geography	20,558	13.12	25.06	43.69	18.13
Vacant Units by Geography	7,310	7.30	12.41	54.95	25.34
Businesses by Geography	15,705	9.24	16.66	41.75	32.35
Farms by Geography	506	3.56	15.22	44.07	37.15
Family Distribution by Income Level	45,810	4.99	16.34	42.91	35.76
Household Distribution by Income Level	61,992	5.14	16.59	44.33	33.93
Median Family Income		\$66,800	Median Housing Value		\$161,600
			Median Gross Rent		\$908
			Families Below Poverty Level		16.05%

Source: 2015 ACS data update and June 2019 D&B Data; Due to rounding, totals may not equal 100.0

According to the June 2019 D&B data, there were 15,705 non-farm businesses operating within the assessment area. Gross annual revenues (GARs) for these businesses are below:

- 87.09 percent have \$1 million or less.
- 4.93 percent have more than \$1 million.
- 7.98 percent have unknown revenues.

Service industries are the largest portion of businesses at 37.21 percent, followed by retail trade (11.81 percent); finance, insurance, and real estate (9.29 percent); construction (8.45 percent); and, non-classified businesses (17.72 percent). Also, 65.25 percent of businesses have four or less employees, and 91.66 percent operate from one locale.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to gain additional insight regarding local economic conditions and to assist in identifying the credit and community development needs. This information helps determine if local financial institutions are responsive to those needs and what credit and community development opportunities are available. For this evaluation, a representative of a local non-profit affordable housing

development organization and a representative of a nationwide, non-profit financial literacy organization were interviewed. Both contacts stated that FCB and especially FCB’s CRA Officer were very active in the various community development activities that take place within the bank’s assessment area.

Community Development Lending and Investments

During the 2019 plan year, FCB purchased community development investments totaling \$1,164,122. Community development investments met the minimum goals for Outstanding performance in 2019. The total community development investments made in 2019 relative to the established goals are shown in the following table:

Community Development Lending and Investments					
Plan Year	Bank Established Goals			Bank Performance	
	Satisfactory	Outstanding	Average Assets	Community Development Lending and Investments	Community Development Lending and Investments to Average Assets
	(%)	(%)	(\$000s)	(\$000s)	(%)
2019	0.50	0.75	137,272	1,164	0.85
<i>Source: Bank records, 2019-2021 Strategic Plan</i>					

The two investments include the following:

- An investment of \$645,903 purchased on March 18, 2019, in Georgia State Housing and Finance Authority (GHFA) revenue bonds. The GHFA is charged with the responsibility to provide financing for affordable housing development, providing homeownership education and financing for home buyers, and providing financial assistance to local governments for housing activities designed to benefit low- and moderate-income Georgians.
- An investment of \$518,219 on March 18, 2019, made in Hall County School District Municipal Bonds. In a study based on fiscal year 2016, “FY2016 Free and Reduced Lunch School Data – Quantified School”, it was determined that over 50 percent of the students in every school in Hall County qualified for reduced or free lunches.

In addition to the above qualified investments made during the 2019 year, FCB maintains a money-market demand account at a nearby Minority-Owned Depository Institution (MDI) which totaled over \$7 million at December 31, 2019. The balance in this deposit account fluctuates during the year. However, maintenance of this deposit account at a MDI further

demonstrates bank management’s ongoing commitment to promote community development objectives.

Community Development Services – Grants and Donations

During the 2019 plan year, FCB’s qualified community development grants and donations totaled \$35,000 which equaled the established minimum goal in the strategic plan for Outstanding performance. The grants and donations for the year are shown in the following table:

Community Development Grants and Donations			
Plan Year	Bank Established Goals		Bank Performance
	Satisfactory	Outstanding	Grants and Donations
	(\$000s)	(\$000s)	(\$000s)
2019	\$30,000	\$35,000	\$35,000
<i>Source: Bank records, 2019 – 2021 Strategic Plan</i>			

The grants and donations include charitable contributions to assessment area organizations that provide community development services, including affordable housing, financial literacy services, and other services to low- and moderate-income individuals and families. Summaries of notable grants and donations are listed below.

- Donation of \$5,000 on April 9, 2019, was made to a non-profit organization to support home preservation, down-payment assistance, new affordable home construction, affordable home repair, and homeowner education programs specifically for low- and moderate-income individuals and families within Hall County.
- Grants of \$25,000 and \$5,000 were made on March 15, 2019 and October 28, 2019, respectively, to a nationwide financial literacy organization specifically benefiting students in the middle schools in Hall County.

Community Development Services – Hours of Service

Community development service hours are evaluated based on the number of hours spent performing qualified services. During the 2019 plan year, FCB’s qualified community development service hours totaled 48.25. These service hours exceeded the established minimum goal for Outstanding performance during 2019. The qualified service hours for the year are presented in the following table:



Community Development Hours of Service			
Plan Year	Bank Established Goals		Bank Performance
	Satisfactory	Outstanding	Hours of Service
	(Hours)	(Hours)	(Hours)
2019	30	40	48.25
<i>Source: Bank records, 2019 – 2021 Strategic Plan</i>			

Bank officers and employees are involved in community development organizations which provide services that focus on financial education, including after-school programs that provide financial literacy for students from low- and moderate-income families. The following comments provide details about the community development services provided.

- In 2019, bank officers and employees volunteered to provide financial literacy training to children attending Hall County Middle Schools. The majority of the daily participants in the school programs qualify for free or reduced cost lunches under the national School Lunch Programs. The program uses training materials made available by Junior Achievement’s Discovery Center Programs established to serve the middle schools of Hall County.
- In 2019, bank officers and employees volunteered to provide financial literacy training to Habitat for Humanity of Hall County (Habitat) clientele. Habitat builds homes for low- and moderate- income individuals and families. The training program uses training materials made available by the FDIC’s Money Smart Financial Education Curriculum.

During 2019, bank officers and employees performed 48.25 hours of community service which exceeds the goal specified in the strategic plan for Outstanding performance.



Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, loan products considered, and affiliate activities that were reviewed. The table also reflects the MSAs and non-MSAs that received comprehensive examination review

Time Period Reviewed:	01/01/2019 to 12/31/2019	
Bank Products Reviewed:	Community development loans, qualified investments, and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>Not considered</i>	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Other Information	
Outstanding - Georgia		
Hall County, Gainesville MSA	County of Hall which includes the City of Gainesville, GA	

Appendix B - Summary of State and Multistate Metropolitan Area Ratings

State Name	State Rating
Georgia	Outstanding



Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances. Census tracts ideally contain about 4,000 people and 1,600 housing units.

Community Development: 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, 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, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.



Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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) 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.

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.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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