



PUBLIC DISCLOSURE

June 29, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Florida Capital Bank, National Association
Charter Number 20214

10151 Deerwood Park Boulevard
Building 100, Suite 200
Jacksonville, Florida 32256

Office of the Comptroller of the Currency
4042 Park Oaks Boulevard, Suite 240
Tampa, Florida 33610

NOTE: 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, and should not 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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Overall CRA Rating

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 that support this rating include:

- The Lending Test rating is based on the reasonable distribution of home mortgage and small business loans in low- and moderate-income (LMI) geographies and to borrowers of different income/revenue levels.
- The bank's Loan-to-Deposit (LTD) ratio is more than reasonable.
- The Community Development (CD) Test rating is based on the bank's adequate responsiveness to CD needs in the assessment areas (AAs) through CD lending, qualified investments, and CD services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is more than reasonable. The bank's quarterly average LTD ratio since the preceding CRA evaluation (11 quarters beginning with the second quarter of 2017) is 118.24 percent, ranging from a high of 134.87 percent in the fourth quarter of 2018 to a low of 107.30 percent in the fourth quarter of 2019. For the same period, Florida Capital Bank's (FCB) quarterly average ratio of 118.24 percent is higher than the 87.15 percent ratio of six similarly situated banks operating in the bank's AA. The quarterly average high LTD ratio for these six banks was 89.95 percent and the low was 85.02 percent.

The quarterly average LTD ratio for each similarly situated bank located in the AA is depicted in the table below:

Loan-to-Deposit Ratios		
Institution	Total Assets \$ (000's) (As of 12/31/2019)	Average Loan-to- Deposit Ratio (in %)
<i>Florida Capital Bank, N.A.</i>	496,400	118.24
Axiom Bank	672,019	104.96
Citizens Bank of Florida	356,958	74.27
First Citrus Bank	418,324	95.96
First Home Bank	531,151	93.12
Pilot Bank	430,363	93.04
Winter Park National Bank	351,920	61.55

Source: Consolidated Reports of Condition and Income from June 2017 to December 2019.

Lending in Assessment Area

A substantial majority of the bank's loans are outside its assessment area(s) (AAs). The bank originated and purchased 4.2 percent of its total loans inside the bank's AAs during the evaluation period. For home mortgages this lending pattern is expected and reflective of the large volume of mortgage loans generated from FCB's mortgage banking operation as the vast majority of originated are outside the AAs and sold on the secondary market. For small business loans the percentage of loans originated and purchased inside and outside the AAs was determined using a random sample of 80 loans originated or purchased during the evaluation period. Based on the sample, 36.3 percent of small business loans were originated inside the AAs while 63.7 percent were originated outside the AAs. This lending pattern was also expected and reflective of FCB's participation in the SmartBiz lending program, which commenced during the evaluation period and is a nationwide referral program for Small Business Administration (SBA) guaranteed loans. More weight was placed overall on the small business loan data in the geographic distribution analysis, given the low level of lending inside the AA for both primary products.

This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Refer to the table below for the number and dollar amount of loans originated inside and outside the AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	329	3.9	8,018	96.1	8,347	97,431	3.7	2,519,175	96.3	2,616,606
Small Business	29	36.3	51	63.7	80	10,614	30.2	24,577	69.8	35,191
Total	358	4.2	8,069	95.8	8,427	108,045	4.1	2,543,752	95.9	2,651,797

Description of Institution

Florida Capital Bank, N.A. (FCB) is an intrastate, nationally chartered commercial bank headquartered in Jacksonville, Florida, with \$496 million in reported total assets as of December 31, 2019. The bank is wholly owned by Florida Capital Group, Inc., a one-bank holding company also headquartered in Jacksonville, Florida. The bank has one subsidiary, a real estate holding company, which was not included in the scope of this CRA performance evaluation, and the bank does not have any affiliates. The bank was initially chartered in 1985 in Tarpon Springs, Florida. The current ownership group purchased the bank in 2004, changed its name to its current name, and moved the headquarters to Jacksonville.

FCB operates four traditional banking offices, one in each of its four AAs. The bank does not operate any Automated Teller Machines (ATMs) or offer safe deposit boxes. The lobby hours of operation are Monday through Friday 9:00 AM to 4:00 PM. Through these offices, the bank offers a variety of loan and deposit products and services, which include the following: personal checking and savings accounts, residential mortgages, personal loans and lines of credit, online banking, debit and credit cards, bank by mail, remote deposit capture, wire transfers, business deposit accounts, account analysis, mobile banking,

express branch (courier service), treasury and cash management, business loans, and certificates of deposit. The bank is a member of the Presto network, which provides FCB customers with free access to ATMs throughout the state of Florida via Publix supermarket locations. The following are FCB's four assessment areas:

- MSA 27260 – Jacksonville, FL;
- MSA 23540 – Alachua County, FL (Gainesville);
- MSA 36740 – Orlando/Kissimmee/Sanford, FL (Orlando); and,
- MSA 45300 – Tampa/St. Petersburg/Clearwater, FL (Tampa).

Since the last performance evaluation, FCB relocated its branch in Pinellas County to Tampa, Hillsborough County, FL in 2017. Also, in 2017, FCB moved its one branch in MSA 23540 in Gainesville, FL to another location in Gainesville, FL.

Beyond the scope of traditional banking activities, FCB operates a nationwide residential mortgage operation, which is the bank's primary strategic focus. FCB originates or purchases residential mortgages of all types. During this evaluation period, FCB had retail loan production offices (LPOs) in CA, MD, MN and PA (the MN office left in 2017). Residential mortgage originations are primarily made through an extensive network of residential third party originators (TPOs). The majority of the residential mortgages originated or purchased by the bank are sold to secondary market participants. These loans are typically funded by wholesale deposits or other borrowings and not by traditional core deposits gathered in the four AAs. The bank also provides financing to small businesses primarily through its government guaranteed lending program including Small Business Administration (SBA) loans and the United States Department of Agriculture (USDA) loans, which are underwritten and serviced in accordance with their respective guidelines. The guaranteed portions of these loans are often sold on the secondary market.

As of December 31, 2019, total loans (net of unearned income and allowance), which represent 59 percent of total assets, equaled \$293 million. The loan portfolio consists of 44.7 percent of commercial and commercial real estate secured loans, 55.2 percent residential real estate secured loans, and less than 1 percent in consumer purpose loans.

The bank did not have any financial, legal or other factors that impeded the bank's ability to meet the credit needs of the communities it serves during the period covered in this Performance Evaluation. The preceding CRA evaluation dated May 1, 2017 indicated the bank received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated the CRA performance of FCB using the Intermediate Small Bank performance criteria including the lending test and community development (CD) test. For the lending test, our evaluation covered the period from January 1, 2017 through December 31, 2019. The lending test analysis focused on home mortgage loans and small business loans, which are the bank's primary loan products. We did not consider consumer loans as this portfolio represents less than 1 percent of total loans. For the CD

test, our evaluation covered the period from May 2, 2017 to July 6, 2020. The CD test focused on lending, investments, and services within the bank's AAs.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. FCB has four AAs and two primary loan products that received consideration. The most weight was applied to the full scope AAs including the Jacksonville AA and Orlando AA. Additionally, more weight was applied to FCB's small business lending as the vast majority of residential mortgage originations were made outside the AAs as part of the bank's nationwide mortgage banking operation.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under each state for details regarding how the areas were weighted in arriving at the respective ratings.

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 AA 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 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 Florida

CRA rating for the State of Florida: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of home mortgage and small business loans exhibits a reasonable distribution of loans in LMI geographies.
- The distribution of loans among borrowers of different income levels and business of different sizes is reasonable.
- The responsiveness to CD needs is satisfactory considering the mix of CD lending, qualified investments, and CD services in the AAs.

Description of Institution's Operations in Florida

FCB operates in four AAs in the State of Florida as described in the Description of the Institution and the Scope of Evaluation sections of this performance evaluation (PE). The AAs meet the legal requirements of the CRA and do not arbitrarily exclude any low and moderate income (LMI) geographies. The bank has one branch in each of the four assessment areas including Jacksonville, Orlando, Tampa, and Gainesville. According to FDIC market share data as of June 30, 2019, all of FCB's deposits are derived from the AAs with the substantial majority from the Jacksonville and Orlando AAs. FCB's primary business focus is the nationwide mortgage banking operation in addition to small business lending via the government guaranteed lending program. The bank's AAs are highly competitive including local community banks, regional banks, and some of the United States' largest banks that have a nationwide footprint as well as credit unions and nonbank financial entities that compete for residential and business loans.

Community credit needs in the full-scope AAs were determined by reviewing housing and demographic information, other CRA PEs from other banks operating in the AAs, and reviewing community contacts with organizations that service the full scope AAs. The community contacts promote small business and housing and community development. The most critical needs identified from the contacts were associated with small business lending and affordable housing.

Jacksonville AA

The Jacksonville AA is comprised of Duval and St. Johns counties, which are located in the Jacksonville MSA. The bank has one branch in this AA, which is located in Duval County. This AA has 20 low-income tracts and 59 moderate-income tracts. The bank's branch is not located in a low or moderate census tract. FCB reported \$203 million in deposits in the Jacksonville AA as of June 30, 2019, which represents 70.8 percent of total bank deposits. FCB is ranked 17th overall in deposit-taking in the MSA with a 0.31 percent deposit market share. There are 32 institutions operating 277 offices in the MSA.

Bank of America, N.A., TIAA, F.S.B., and Wells Fargo Bank, N.A. have the significant majority of deposit market share.

The AA has a population of 1,101,168 according to 2010 Census figures. As reported by Moody’s Analytics the five largest employers are: Naval Air Station Jacksonville, Baptist Health, Naval Station Mayport, Bank of America, and Florida Blue. Jacksonville is the principal city and the surrounding counties are part of the greater metropolitan area. The median family income for the AA \$64,042 while 11.9 percent of families fall below the poverty level. The median housing value is \$173,962. Considering the median family income and the high poverty level in the AA, LMI families may have difficulty with affording mortgage payments without subsidies given the relative high housing costs and added costs of insurance and taxes.

The AA has experienced economic recovery during the evaluation period as evidenced by the declining trend in the unemployment rate. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the January 2017 unemployment rate for Duval and St. Johns Counties was 4.9 and 4.1 percent, respectively. Unemployment rates in Duval and St Johns Counties improved to 2.7 and 2.2 percent respectively, by December 2019. While housing prices have also increased during the evaluation period, community contacts indicate that the need for affordable housing is a critical need in the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Jacksonville AA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	215	9.3	27.4	32.6	29.3	1.4
Population by Geography	1,101,168	6.5	25.0	35.8	32.7	0.0
Housing Units by Geography	488,397	7.3	25.0	34.4	33.2	0.0
Owner-Occupied Units by Geography	259,840	4.5	20.4	35.5	39.7	0.0
Occupied Rental Units by Geography	157,302	9.7	31.9	34.8	23.6	0.0
Vacant Units by Geography	71,255	12.6	26.9	29.5	31.0	0.0
Businesses by Geography	134,250	4.9	21.8	30.6	42.7	0.0
Farms by Geography	3,113	4.0	20.8	36.9	38.2	0.0
Family Distribution by Income Level	264,961	22.7	17.0	19.5	40.7	0.0
Household Distribution by Income Level	417,142	24.7	16.8	17.2	41.3	0.0
Median Family Income MSA - 27260 Jacksonville, FL MSA		\$64,042	Median Housing Value			\$173,962
			Median Gross Rent			\$980
			Families Below Poverty Level			11.9%

*Source: 2015 ACS and 2019 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

Orlando AA

The Orlando AA is comprised of Orange and Seminole counties, which are located in the Orlando/Kissimmee/Sanford MSA. The bank has one branch in this AA, which is located in Orlando.

This AA has 12 low-income tracts and 80 moderate-income tracts. The bank’s branch is not located in a low or moderate census tract. FCB reported \$49.2 million in deposits in the Orlando AA as of June 30, 2019, which represents 17.2 percent of total bank deposits. FCB is ranked 38th overall in deposit-taking in the MSA with a 0.09 percent deposit market share. There are 45 institutions operating 522 offices in the MSA. Bank of America, N.A., SunTrust Bank, Wells Fargo Bank, N.A., and JP Morgan Chase Bank, N.A. have the majority of deposit market share.

The AA has a population of 1,666,385 according to 2010 Census figures. As reported by Moody’s Analytics the five largest employers are: Walt Disney World, Resort, Universal Orlando, Adventist Health System, Publix Supermarkets, and Orlando International Airport. Orlando is the principal city in the AA and the surrounding counties are part of the greater metropolitan area. The median family income for the AA is \$57,304 while 12.2 percent of families fall below the poverty level. The median housing value is \$173,015. Considering the median family income and the high poverty level in the AA, LMI families may have difficulty with affording mortgage payments without subsidies given the relative high housing costs and added costs of insurance and taxes.

The AA has experienced economic recovery during the evaluation period as evidenced by the declining trend in the unemployment rate. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the January 2017 unemployment rate for Orange and Seminole Counties was 4.4 and 4.4 percent, respectively. Unemployment rates in Orange and Seminole Counties improved to 2.4 and 2.5 percent respectively, by December 2019. Housing prices have also increased during the evaluation period and consequently community contacts indicate that the need for affordable housing is high

Table A – Demographic Information of the Assessment Area

Assessment Area: Orlando AA 2019

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	293	4.1	27.3	32.4	35.8	0.3
Population by Geography	1,666,385	2.8	25.6	33.3	38.3	0.0
Housing Units by Geography	685,887	3.0	25.9	34.0	37.0	0.0
Owner-Occupied Units by Geography	341,812	1.1	18.3	33.6	47.0	0.0
Occupied Rental Units by Geography	244,767	5.5	35.6	34.1	24.8	0.0
Vacant Units by Geography	99,308	3.6	28.5	35.1	32.8	0.0
Businesses by Geography	239,872	1.4	22.2	32.0	44.3	0.0
Farms by Geography	4,709	1.3	21.3	34.7	42.7	0.0
Family Distribution by Income Level	381,133	21.1	17.0	18.6	43.3	0.0
Household Distribution by Income Level	586,579	22.6	16.5	17.8	43.1	0.0
Median Family Income MSA - 36740 Orlando-Kissimmee-Sanford, FL MSA		\$57,304	Median Housing Value			\$173,015
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that</i> <i>have not been assigned an income classification</i>			Median Gross Rent			\$1,065
			Families Below Poverty Level			12.2%

Scope of Evaluation in Florida

This PE is an assessment of FCB's ability to meet the credit needs of the AAs. The bank was evaluated using the criteria for intermediate small banks including the lending and CD tests. For the lending test we considered home mortgages and small business loans, which are FCB's primary loan products. More weight was given to small business loans as the vast majority of residential mortgages are originated outside of the AAs as part of the bank's nationwide mortgage banking operation. For the CD test we considered loans, investments, and services in the AAs.

We conducted a full-scope review of the Jacksonville AA and the Orlando AA. The full scope AAs were selected due to these two AAs accounting for the significant majority of lending and deposit activity. Combined these two AAs account for 88 percent of bank deposits and 65 percent of loans originated during the evaluation period. A limited scope review was completed on the Tampa and Gainesville AAs. Ratings are primarily based on the results in the full-scope assessment area with consideration of performance in the limited-scope area. Refer to the tables in appendix A for more information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

The bank's performance under the Lending Test in Florida is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on the full-scope reviews, the bank's lending performance in the state of Florida is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Jacksonville AA

Home Mortgage Loans

Refer to Table O in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Overall, the geographic distribution of home mortgage loans in the Jacksonville AA reflects reasonable distribution of loans in the LMI geographies given the performance context. FCB's lending to borrowers located in low income geographies is better than the aggregate level, but lower than the percentage of owner occupied units. Lending in moderate income geographies is lower than the percentage of owner occupied units, but just slightly lower than the aggregate. Given that only 4.5 percent of geographies within this AA are located in low income census tracts, the level of performance is reasonable. Additionally, FCB's lending to borrowers in LMI geographies is similar to aggregate comparators in the AA.

Small Loans to Businesses

Refer to Table Q in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Overall, the geographic distribution of small business loans in the Jacksonville AA reflects poor distribution of loans to business located in LMI geographies. For both low income geographies and moderate income geographies, the level of loan originated to small businesses is significantly below the percentage of businesses located in those geographies. Additionally, FCB's percentage of loans originated to small business located in both low and moderate income geographies is significantly below comparative aggregators. Given that the bank's level of lending to small businesses is better than in this AA, and that the bank is focused on nationwide lending programs, this level of lending does not overall lower the bank's assessment under the lending test.

Orlando AA***Home Mortgage Loans***

Refer to Table O in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Overall, the geographic distribution of home mortgage loans in the Orlando AA reflects poor distribution of loans in both the low and moderate income geographies. FCB's lending to borrowers located in both low and moderate income geographies is lower than the percentage of owner occupied units located and aggregate comparators for the AA. Given the context that the bank's home mortgage project is distributed on a nationwide level, it is understandable that the level of home lending inside the AA may not meet or exceed the comparators.

Small Loans to Businesses

Refer to Table Q in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Overall, the geographic distribution of small business loans in the Orlando AA reflects excellent distribution of loans to business located in LMI geographies. The level of lending to small businesses in low income geographies was below both the percentage of businesses and the aggregate comparator. The level of lending to small businesses in moderate income geographies exceeds both the percentage and aggregate comparators significantly. This overall is the strongest support for the bank's reasonable geographic distribution.

Lending Gap Analysis

The bank's AAs includes full counties, without conspicuous gaps or breaks. Given the bank's strategic focus on nationwide lending programs, the bank's lending across its AAs does not present conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Jacksonville AA

Home Mortgage Loans

Refer to Table P in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Overall, the distribution of home mortgage loans in the Jacksonville AA reflects reasonable distribution of loans to borrowers of different income levels. FCB's lending to low income borrowers is lower than the percentage of low income families in the AA. However, FCB's lending to low income borrowers is similar to aggregate comparators in the AA, which supports the assessment that low income borrowers may have difficulty qualifying for home loans given the relatively high median housing value. FCB's lending to moderate income borrowers is similar to the percentage of moderate income families and similar to the aggregate comparators in the AA.

Small Loans to Businesses

Refer to Table R in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Overall, FCB's small business lending activities in the Jacksonville AA reflects reasonable distribution to businesses of different sizes. FCB's percentage of loans to businesses with less than \$1 million in annual revenue is lower than the percentage of business in the AA with annual revenues less than \$1 million. However, FCB's percentage of loans to business with less than \$1 million in annual revenue slightly exceeds the aggregate comparators in the AA indicating that FCB is meeting the small business credit needs in the AA similarly to competitors in the market.

Orlando AA

Home Mortgage Loans

Refer to Table P in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Overall, the distribution of home mortgage loans in the Orlando AA reflects poor distribution of loans to borrowers of different income levels. FCB's lending to low income and moderate income borrowers is lower than the percentage of low income and moderate income families in the AA. Additionally, FCB's lending to LMI borrowers is lower than aggregate comparators in the AA.

Small Loans to Businesses

Refer to Table R in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Overall, FCB's small business lending activities in the Orlando AA reflects reasonable distribution to businesses of different sizes. FCB's percentage of loans to businesses with less than \$1 million in annual revenue is lower than the percentage of business in the AA with annual revenues less than \$1 million. However, FCB's percentage of loans to business with less than \$1 million in annual revenue is similar to the aggregate comparators in the AA indicating that FCB is meeting the small business credit needs in the AA similarly to competitors in the market.

Responses to Complaints

FCB did not receive any CRA-related complaints during the evaluation period.

Conclusions for Areas Receiving Limited Scope Reviews

Based on the limited scope reviews, the bank's performance under the Lending Test in the Tampa and Gainesville AAs stronger than the bank's overall performance under the Lending Test in the full scope area(s).

Tampa and Gainesville AAs

Home Mortgages

FCB home mortgage lending to borrowers located in different geographies reflects reasonable distribution of loans to borrowers located in LMI geographies within these AAs. FCB's lending to borrowers located in LMI geographies exceeds the percentage of owner-occupied housing units in LMI geographies in the Gainesville AA and exceeds the aggregate comparators in the AA. FCB's lending to borrowers located in LMI geographies is similar to the percentage of owner-occupied housing units in LMI geographies in the Tampa AA and similar to the aggregate comparators in the AA.

FCB home mortgage lending to borrowers of different income levels reflects reasonable distribution of loans to LMI borrowers in these AAs. While FCB's lending to low income borrowers is lower than the percentage of low income families in both AAs, lending to moderate income borrowers significantly exceeds the percentage of moderate income families in the Gainesville AA and is similar to the percentage of moderate income families in the Tampa AA. Additionally, FCB's lending to moderate income borrowers exceeds that of the aggregate comparators in both AAs.

Small Loans to Businesses

Overall, the geographic distribution of small business loans in the Gainesville and Tampa AAs reflects reasonable distribution of loans to business located in LMI geographies. FCB's percentage of loans originated to businesses located in LMI geographies is similar to the percentage of businesses located in those geographies and is similar to the aggregate comparators in these markets.

Overall, FCB's small business lending activities in the Gainesville and Tampa AAs reflects reasonable distribution to businesses of different sizes. FCB's percentage of loans to businesses with less than \$1 million in annual revenue is lower than the percentage of businesses in the AAs with annual revenues less than \$1 million. However, FCB's percentage of loans to business with less than \$1 million in annual revenue is similar to the aggregate comparators in the AA indicating that FCB is meeting the small business credit needs in the AA similarly to competitors in the market.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Florida is rated Satisfactory.

Conclusions for Areas Receiving a Full-Scope Review

Based on the full scope reviews, the bank exhibits reasonable responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the Jacksonville and Orlando AAs.

Number and Amount of Community Development Loans

Jacksonville AA

FCB originated a total of two CD loans in the Jacksonville AA totaling \$3 million. The qualified loans were to a borrower whose business provides stabilization for the low income area where it is located and employs many individuals living in this area. These loans are responsive to the small business lending need in this AA.

Orlando AA

FCB originated a total of five CD loans in the Orlando AA totaling \$2.5 million. The qualified loans were to several borrowers that provide essential services, including medical and grocery, to individuals living in LMI geographies and employs local residents. These loans are responsive to the small business lending need in this AA.

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Jacksonville	2	28.6	3,085	55.2
Orlando	5	71.4	2,508	44.8
Gainesville	0	0.0	0.0	0.0
Tampa	0	0.0	0.0	0.0
Total	7	100.0	5,593	100.0

Number and Amount of Qualified Investments

Jacksonville AA

FCB made a total of ten contributions totaling \$16 thousand to organizations supporting community development in the Jacksonville AA. The contributions were made to numerous organizations supporting community development activities including providing housing for LMI individuals and families and provide meals to LMI individuals and families.

Orlando AA

FCB made one contribution totaling \$3 thousand to an organization supporting community development in the Orlando AA. This organization provides early childhood care and education services to LMI individuals.

The Community Development Investments Table, shown below, sets forth the information and data used to evaluate the bank's level of CD Investments in each AA.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Jacksonville	0	0	10	16	10	38.5	16	28.1	0	0
Orlando	0	0	1	3	1	3.8	3	5.3	0	0
Gainesville	0	0	8	16	8	30.8	16	28.1	0	0
Tampa	0	0	1	2	1	3.8	2	3.5	0	0
All	0	0	6	20	6	23.1	20	35.1	0	0
Total	0	0	26	57	26	100.0	57	100.0	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

In addition to the contributions made in the AAs, FCB also made six contributions totaling \$20 thousand to an organization that provides flexible financing and staffing expertise to various CD projects and organizations throughout the state of Florida.

Extent to Which the Bank Provides Community Development Services

Jacksonville AA

During the evaluation period, numerous FCB employees provided financial education at three local schools in which the majority of students come from LMI families. These employees provided financial education on numerous occasions throughout the evaluation period with a total of 98 hours of service. Additionally, one FCB employee also provides technical financial service to a local organization that provides a wide range of services to small business owners.

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

Orlando AA

During the evaluation period, one FCB employee provided technical financial services by serving on the Advisory Board of an organization that provides services to disabled children and adults of which the majority are LMI.

Conclusions for Areas Receiving Limited Scope Reviews

Based on the limited-scope reviews, the bank's performance under the CD Test in the Gainesville and Tampa AAs is weaker than the bank's overall performance under the CD Test in the full scope area(s).

Gainesville and Tampa AAs

FCB did not originate any CD loans or provide any CD services in the Gainesville and Tampa AAs. Qualified investments were limited to eight contributions totaling \$16 thousand in the Gainesville AA and one contribution totaling \$2 thousand in the Tampa AA.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	05/02/2017 to 12/31/2019	
Bank Products Reviewed:	Home Mortgage and Small Business Loans Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
Florida		
MSA 27260 – Jacksonville	Full-Scope	Duval and St. Johns Counties
MSA 23540 - Gainesville	Limited-Scope	Alachua County
MSA 36740 - Orlando	Full-Scope	Orlando/Kissimmee/Sanford
MSA 45300 - Tampa	Limited-Scope	Tampa/St. Petersburg/Clearwater

Appendix B: Summary of MMSA and State Ratings

RATINGS Florida Capital Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Florida Capital Bank	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Florida	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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 state/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.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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 1 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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Gainesville AA 2019	16	2,560	4.9	6,452	2.4	0.0	3.9	14.9	18.8	11.9	37.5	31.3	35.2	44.6	50.0	48.4	0.6	0.0	0.7
Jacksonville AA 2019	151	42,953	45.9	45,110	4.5	2.6	1.7	20.4	11.3	16.4	35.5	28.5	34.2	39.7	57.6	47.8	0.0	0.0	0.0
Orlando AA 2019	54	23,107	16.4	56,818	1.1	0.0	0.8	18.3	5.6	15.5	33.6	22.2	35.1	47.0	72.2	48.7	0.0	0.0	0.0
Tampa AA 2019	108	28,811	32.8	84,235	2.5	1.9	2.1	16.0	12.0	14.0	39.5	47.2	38.6	42.0	38.9	45.3	0.1	0.0	0.1
Total	329	97,431	100.0	192,615	2.5	1.8	1.7	17.5	10.9	14.9	36.9	33.7	36.4	43.0	53.5	47.0	0.1	0.0	0.1

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19	
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Gainesville AA 2019	16	2,560	16.5	6,452	23.4	0.0	6.9	15.4	62.5	18.4	18.2	6.3	19.0	43.0	25.0	41.1	0.0	6.3	14.7	
Jacksonville AA 2019	151	42,953	45.9	45,110	22.7	5.3	5.6	17.0	16.6	16.4	19.5	18.5	20.3	40.7	49.7	39.7	0.0	9.9	18.0	
Orlando AA 2019	54	23,107	40.0	56,818	21.1	1.9	3.9	17.0	5.6	12.8	18.6	9.3	19.5	43.3	83.3	48.1	0.0	0.0	15.7	
Tampa AA 2019	108	28,811	80.0	84,235	21.2	1.9	4.1	17.0	15.7	15.1	18.4	25.9	19.4	43.4	55.6	44.3	0.0	0.9	17.1	
Total	329	97,431	100.0	192,615	21.6	3.3	4.5	16.9	16.7	14.8	18.7	18.8	19.6	42.8	55.9	44.3	0.0	5.2	16.8	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Gainesville AA 2019	10	8,900	10.0	5,108	7.2	0.0	8.3	16.3	20.0	18.0	36.6	10.0	30.9	39.0	70.0	42.0	0.9	0.0	0.9	
Jacksonville AA 2019	28	25,237	31.6	28,029	4.9	0.0	5.0	21.8	3.6	20.5	30.6	28.6	29.1	42.7	67.9	45.4	0.0	0.0	0.0	
Orlando AA 2019	62	30,297	36.7	51,991	0	0.0	1.1	22.2	37.1	21.2	32.0	35.5	31.9	44.3	27.4	45.7	0.0	0.0	0.0	
Tampa AA 2019	23	19,419	21.7	67,151	4.9	4.3	5.1	17.3	8.7	17.9	34.7	4.3	34.3	42.7	82.6	42.4	0.4	0.0	0.3	
Total	123	83,854	100.0	152,279	3.7	0.8	3.8	19.9	22.8	19.5	33.1	26.0	32.4	43.1	50.4	44.1	0.2	0.0	0.2	
<i>Source: Bank submitted small business loan data from 2017-2019 Due to rounding, totals may not equal 100.0%</i>																				

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Gainesville AA 2019	10	8,901	10.6	5,108	87.5	40.0	46.3	3.7	60.0	8.8	0.0	
Jacksonville AA 2019	28	25,237	30.1	28,029	89.0	50.0	45.0	3.8	50.0	7.2	0.0	
Orlando AA 2019	62	30,297	36.1	51,991	90.5	41.9	47.1	3.2	58.1	6.3	0.0	
Tampa AA 2019	23	19,419	23.2	67,151	90.1	34.8	47.0	3.5	65.2	6.4	0.0	
Total	123	83,854	100.0	152,279	89.9	42.3	46.6	3.5	57.7	6.6	0.0	
<i>Source: Bank submitted small business loan data from 2017-2019 Due to rounding, totals may not equal 100.0%</i>												