



Atlantic Capital[®]
We fuel prosperity™

Atlantic Capital Bank
Community Reinvestment Act
2020-2022
Strategic Plan
Draft – July 1, 2020

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About Atlantic Capital Bank

Atlantic Capital Bancshares, Inc. is a Georgia corporation organized in 2006 and headquartered in Atlanta. It serves as the parent company of Atlantic Capital Bank, N.A. (“ACB,” “Bank,” “we,” “us,” “our”). Our stock trades on the NASDAQ under the symbol ACBI. We provide a complete array of credit, treasury management, capital markets, electronic banking and deposit products and services. We employ a diverse group of dedicated and experienced employees in our banking teams.

On November 2, 2015, ACB acquired FSGBank, N.A., thereby adding banking offices in Northwest Georgia and Tennessee to its then Atlanta-only presence. Over 2016 - 2018, ACB sold eight of these acquired offices along with the related liabilities and assets, and closed and consolidated three other locations in Tennessee and Northwest Georgia. Eventually the trust and wealth management division, which primarily operated in Tennessee and Northwest Georgia markets, was sold as well.

In late 2018, we decided to sell the remaining locations and assets from the FSGBank acquisition. The sale, completed April 5, 2019, included the assets and liabilities associated with our remaining 14 Northwest Georgia and Tennessee branches as well as the residential mortgage banking division.

As of September 30, 2019, ACB’s total assets were \$2.4 billion, total deposits were \$1.9 billion, total loans were \$1.8 billion, and shareholders’ equity stood at \$329 million, reflecting its strong capital position substantially above that required to be considered *Well Capitalized* for regulatory purposes.

After the sale in 2019, ACB returned to its original business model: limited branch locations focused on the Atlanta metro area, serving business clients and their related individuals.

Our Mission and Vision

At Atlantic Capital Bank we believe our purpose is to fuel prosperity. The word prosperity suggests not only financial wealth, but an overall sense of well-being. We seek to help businesses achieve more than just monetary success. We develop lasting relationships with our clients that are founded on trust and accountability. We believe that this purpose separates us from our competitors since our desire is to go beyond the numbers.

But this commitment to fueling prosperity also translates into the culture of ACB’s organization as a whole. From its emphasis on community development to its insistence on conducting business with only the highest level of integrity, ACB seeks to create an environment in which both its clients and its employees will thrive. As a smaller-sized bank in a crowded marketplace, it is important for each of our 200 employees to understand who ACB is and what ACB does for its client base. Our employees provide high-touch, individualized service to our clients. Across the board at ACB, our teammates have a deep drive that goes beyond what most other banks are able to provide.

ACB’s purpose statement, *We Fuel Prosperity*, expresses the reason why so many of the employees at ACB find meaning in their work and why they see ACB as a second family.

CRA Examination History

Given our commercial-centric banking approach, ACB has elected to be examined under the strategic plan option for periods after those covered by our late 2019 CRA examination. ACB's primary federal regulator is the Office of the Comptroller of the Currency ("OCC"). The OCC examines ACB for compliance with the Community Reinvestment Act ("CRA").

For the period July 1, 2016 – December 31, 2018, ACB was examined by the OCC as a *Large Bank* and received a *Satisfactory* CRA rating.

Corporate Governance

The Audit and Risk Committee of ACB's Board of Directors has broad oversight for ACB's risk management, including compliance with legal and regulatory requirements. The Audit and Risk Committee receives regular reports from ACB's Director, Enterprise Risk Management and the Compliance/CRA Officer, who oversees CRA and Fair Lending.

ACB's Risk Management Committee, chaired by the Chief Risk Officer, is the management committee charged with overall risk management, including CRA. The Risk Management Committee receives regular reports from the Director, Enterprise Risk Management and the Compliance/CRA Officer and makes regular reports to the Audit and Risk Committee.

ACB's CRA and Fair Lending Committee ("Committee"), Chaired by the Director, Enterprise Risk Management, is the management committee that considers CRA and Fair Lending matters for ACB. The Committee receives regular reports from the Compliance/CRA Officer and the Community Development Officer.

The Committee's mission is to provide the Board of Directors and management with assurance that the Bank's CRA and Fair Lending compliance efforts are appropriately focused, guided, and supported by resources over time. The Committee meets approximately quarterly.

ACB operates under a CRA Policy, one of many policies maintained by the Compliance/CRA Officer. That policy has been approved by the CRA and Fair Lending Committee, Risk Management Committee, and the Audit and Risk Committee. The policy is reviewed and updated as necessary, most recently in October 2019.

This draft CRA Strategic Plan has been approved by the CRA and Fair Lending Committee and the Risk Management Committee. The Audit and Risk Committee has been regularly briefed on our progress in developing a CRA Strategic Plan and will be asked to approve the Plan after OCC review and approval. These committees will receive regular reports on ACB's performance under the CRA Strategic Plan.

Training

ACB employees are required to complete annual training commensurate with their positions, duties, and responsibilities. In 2019, all ACB employees completed an on-line CRA course. In 2018 and 2017, all employees were required to complete CRA training. In July 2019, ACB's Board of Directors received annual CRA training as part of its Compliance Training provided by management.

In addition to required on-line training for all employees, CRA training was provided to targeted Atlanta area employees over 2018 and 2019 as follows:

| Area Trained | Date |
|--------------------------------------|---------------|
| Commercial Banking Group – Atlanta | May 18, 2018 |
| Portfolio Management Group – Atlanta | May 18, 2018 |
| Commercial Banking Group - Atlanta | June 10, 2019 |
| SBA Banking Team - Atlanta | June 18, 2019 |
| CRE Banking Team - Atlanta | June 24, 2019 |

In 2020, all employees will be required to complete CRA training.

Our Lines of Business

ACB's core business strategy is to become Atlanta's premier hometown business bank. We are a team of talented, experienced and entrepreneurial bankers focused on serving commercial and not-for-profit enterprises, commercial real estate developers and private banking clients that value high-touch relationships and deep expertise. We believe our strengths differentiate us from our competitors and allow us to address the financial needs of our clients. We also believe that these clients will present us with opportunities to originate loans and utilize our treasury management expertise. We will continue to focus on maintaining industry diversity in our target client base to mitigate our loan portfolio risk, increase market presence, and leverage the diverse industry experience of our corporate and business banking teams.

Our core lines of business in Atlanta are Commercial, Not-for-Profit/Business Banking, and Commercial Real Estate Finance. Within the Commercial and Not-for-Profit/Business Banking Teams, we have four private bankers that provide depository and limited lending services to the owners and executives of the companies we do business with.

- **Commercial Banking:** offers deposit and lending products to a variety of businesses primarily located in metro Atlanta and the southeast U.S., businesses that range in size from start-ups to in excess of \$10 million in revenues;
- **Not-for-Profit/Business Banking:** services more than 200 not-for-profit organizations and small businesses in Atlanta with a dedicated team of underwriters and bankers;
- **Commercial Real Estate Finance:** financing for traditional commercial property types including Industrial, Office, Multi-family and Retail as well as construction loans and lines of credit.

In addition to our core lines of business in Atlanta, we provide several secondary and specialty lines. These lines of business are:

- **Payments and Fintech:** provides Automated Clearinghouse ("ACH") and other services to clients nationwide and generates significant deposits from across the U.S., recognized as top 50 ACH Bank in the U.S. by NACHA, originated \$40 billion in payments in 2019;
- **SBA Lending:** ACB is a Small Business Administration ("SBA") Preferred Lender with 14 professionals located nationally, consistently ranked in top 3 SBA 7(a) originations in Georgia and Top 50 SBA Lenders nationally;
- **Franchise Lending:** focused on multi-unit operators across various industry verticals, nationwide in scope;

- *Regional Corporate Loan Portfolio*: purchased segments of larger loans originated by other lenders, mostly to borrowers outside of our assessment area in the southeast U.S.

Note: When considering ACB's CRA performance, it is appropriate to take into account that ACB's business model contributes to significant community development outside its AAs, given the substantial deposits and loans that ACB produces outside its AAs through its specialty lines of business, as noted above, and the nature of that lending (specifically SBA Lending, Franchise Finance, and Regional Corporate Finance).

Product Offerings

Commercial and Not-for Profit Business Banking

We offer a full range of commercial and business banking products to fund our Georgia-based clients' strategic growth, capital expenditures, working capital needs and strategic corporate finance requirements. Our solutions include working capital and equipment loans, loans supported by owner-occupied real estate, revolving lines of credit, term loans and letters of credit as well as cash and treasury management services.

Commercial Real Estate

Through our commercial real estate team, we offer a wide variety of loan products, including secured construction loans, secured mini-permanent loans and less frequently, secured or unsecured lines of credit. This team's primary focus is providing loans for core commercial real estate property types: multi-family housing, office, industrial and retail properties. The majority of our commercial real estate customers and the largest proportion of our commercial real estate collateral are located in the Atlanta area.

Corporate Financial Services

Through our experienced corporate financial services team, we provide an array of specialty commercial lending products (SBA and Franchise), treasury management, and payment processing to clients nationally. Our specialty corporate financial services are tailored to the needs of clients in particular industries including payroll services, financial technology, financial services and banking.

Atlantic Capital Exchange ("ACE") is our proprietary, on-line, secure-browser application that allows small business and Treasury Management clients to initiate balance reporting, check management, ACH and wire transfer transactions, make remote deposits, and conduct some activity via mobile devices. In addition to ACE, we offer two other platforms for small business and private banking clients called **ACE for Business** and **ACB Go! Mobile**, respectively.

Our diverse group of products offered to our clients are listed below:

| Commercial | |
|--|---------------------------------|
| <i>Deposit Products</i> | <i>Loan Products</i> |
| Commercial and Business Deposit Accounts | Commercial and Industrial Loans |
| Commercial Analysis Accounts | Commercial Real Estate Loans |
| Business NOW Accounts | Construction Loans |
| Interest on Lawyers Title Accounts | Not-For-Profit Business Loans |
| Savings Accounts | Franchise Loans |
| Money Market Accounts | SBA Loans |
| Certificates of Deposit | Small Business Booster Kit |
| Financial Institution Money Market Accounts | |
| Federal Funds Program | |
| Automated Clearinghouse (“ACH”) Services | |
| <i>Atlantic Capital Exchange for Business/Commercial</i> | |
| Consumer | |
| <i>Deposit Products</i> | <i>Loan Products</i> |
| Consumer Demand Deposit Accounts | Home Equity Lines/Loans |
| Savings Accounts | Mortgage Loans |
| Money Market Accounts | Unsecured Credit Lines |
| Certificates of Deposit | |
| On-line Banking | |
| Mobile Banking | |

Loan Portfolio

ACB’s loan portfolio as of September 30, 2019 is summarized in the table below. The majority of ACB’s lending is related to our commercial, not-for-profit and commercial real estate activities which totaled approximately \$1.6 billion, or almost 90% of the portfolio.

| Loans (9-30-2019) | | |
|--------------------------------------|----------------|--------------|
| Product Type | \$000s | % of Total |
| Construction | 145,177 | 7.9% |
| Farm | 8,752 | 0.5% |
| 1 - 4 Family Residential Lines | 25,638 | 1.4% |
| 1 - 4 Family Residential Loans | 31,903 | 1.7% |
| Commercial Real Estate | 805,421 | 43.8% |
| Commercial and Industrial | 698,035 | 37.9% |
| Consumer | 22,143 | 1.2% |
| Nondepository Financial Institutions | 23,256 | 1.3% |
| Purchasing/Carrying Securities | 5,025 | 0.3% |
| Other | 13,781 | 0.8% |
| Total | 1,836,590 | - |

Our 1- 4 family residential loans and consumer loans, which are a very small portion of our total loan portfolio, are primarily with individuals associated with our commercial, commercial real estate and family

office clients. Primarily these are home equity loans or lines with limited residential mortgage and construction loans expected to be made and held in our portfolio. These loans totaled 4% of the portfolio at September 30, 2019.

The importance of ACB's SBA, Franchise, and Regional Corporate lending businesses, which are mostly national in scope, is illustrated in the following table. At September 30, 2019, nearly 28% of ACB's loan portfolio was generated from its SBA, Franchise, and Regional Corporate businesses, from which limited deposits are derived.

| Loans (9-30-2019) | | |
|---------------------------------|----------------|--------------|
| Type | \$000 | % of Total |
| Total Loans | 1,836,590 | - |
| SBA | 141,087 | 7.6% |
| Franchise | 179,483 | 9.7% |
| Regional Corporate | 191,503 | 10.3% |
| Total Above 3 Categories | 512,073 | 27.6% |

Deposit Portfolio

ACB's deposits as of September 30, 2019 are shown in the table below. 37% of ACB's deposits originate from national sources (Payments and Financial Institution clients and brokered deposits).

| Deposits (9-30-2019) | | |
|------------------------|----------------|--------------|
| Type | \$000 | % of Total |
| Total | 1,854,272 | - |
| Payments Business | 286,373 | 15.4% |
| Financial Institutions | 343,013 | 18.5% |
| Brokered | 61,192 | 3.3% |
| Total Above | 690,578 | 37.2% |

Why a CRA Strategic Plan is Appropriate for ACB

As of September 30, 2019, ACB's predominantly nationwide businesses generated \$691 million in deposits and \$512 million in loans. Of the total deposits, 37% are gathered from nationwide sources. These businesses will be part of ACB's business strategy for the foreseeable future.

Residential and consumer lending are not significant portions of our portfolio or ACB's business strategy.

That ACB's business model significantly contributes to community development outside ACB's Assessment Areas should be considered in the evaluation of the Banks's overall CRA performance. In light of all of these facts, we believe that a strategic plan approach to CRA compliance is appropriate for ACB in the period 2019 – 2022.

Assessment Areas

The CRA requires each financial institution to define one or more assessment areas, typically surrounding the main and branch offices. Within the assessment areas, CRA performance will be evaluated. Atlantic Capital has one main office located in Buckhead and two newly opened branch offices in Buckhead and Athens. Therefore, Atlantic Capital has two assessment areas located in Atlanta and Athens surrounding each of these branches. Atlanta is ACB's largest assessment area encompassing four counties, while the Athens assessment area was newly defined in 2019 and is a much smaller subset of ACB's CRA activities. Each assessment area is described in the following sections.

Atlanta

Beginning in 2019, ACB expanded its Atlanta Assessment Area ("AA") from that used since the Bank's inception in 2007. ACB's initial assessment area included portions of Cobb, DeKalb, Fulton, and Gwinnett Counties. Our revised assessment area, adopted for 2019, encompasses the whole of these four counties. Within the Atlanta assessment area, ACB has one banking center located in Fulton County. The majority of ACB's clients, comprised predominantly of commercial businesses, utilize our treasury platform, remote deposit capture and mobile banking products to conduct their day-to-day banking. Our one branch banking center in Buckhead is essentially a client service center to accommodate the limited face-to-face banking needs of our commercial, small business, non-profit, private banking and commercial real estate clients.

ACB's Atlanta assessment area comprises four of the 29 counties in the Atlanta Metropolitan Statistical Area ("MSA"). Within the assessment area, 38.9% of the area is comprised of Low-and Moderate-Income ("LMI") census tracts. The counties of DeKalb and Fulton are more heavily made up of LMI tracts in comparison to Cobb and Gwinnett Counties.

The Assessment Area is statistically characterized as follows:

| Area | # CTs | Low | Moderate | LMI | Middle | Upper | Unknown |
|-----------------------|-------|-------|----------|-------|--------|-------|---------|
| Cobb | 120 | 5.8% | 19.2% | 25.0% | 26.7% | 48.3% | - |
| DeKalb | 145 | 13.8% | 33.8% | 47.6% | 20.0% | 31.0% | 1.4% |
| Fulton | 204 | 24.5% | 18.6% | 43.1% | 10.8% | 43.6% | 2.5% |
| Gwinnett | 112 | 5.4% | 29.5% | 34.9% | 38.4% | 26.8% | - |
| Atlanta AA - # | 581 | 83 | 143 | 226 | 126 | 222 | 7 |
| Atlanta AA- % | - | 14.3% | 24.6% | 38.9% | 21.7% | 38.2% | 1.2% |

Within ACB's Assessment Area, the population is slightly less concentrated in LMI areas at 34.1%. The counties of DeKalb and Fulton are more heavily populated in LMI tracts in comparison to Cobb and Gwinnett Counties.

| Area | Population | Low | Moderate | LMI | Middle | Upper | Unknown |
|-----------------------|------------|---------|----------|-----------|---------|-----------|---------|
| Cobb | 719,133 | 5.0% | 18.6% | 23.6% | 29.5% | 46.8% | - |
| DeKalb | 716,331 | 12.2% | 37.5% | 49.7% | 20.4% | 29.4% | 0.4% |
| Fulton | 983,903 | 16.6% | 18.8% | 35.4% | 14.0% | 49.3% | 1.3% |
| Gwinnett | 849,839 | 5.0% | 23.4% | 28.4% | 41.6% | 29.9% | - |
| Atlanta AA - # | 3,269,206 | 329,072 | 786,506 | 1,115,578 | 850,351 | 1,287,362 | 15,915 |
| Atlanta AA- % | - | 10.1% | 24.1% | 34.1% | 26.0% | 39.4% | 0.5% |

A comparison of the Atlanta assessment area to the Bank’s initial *partial-county* assessment area can be found in Appendix 1.

Athens

Atlantic Capital opened one banking center in Athens, Georgia in July 2019, located in Clarke County. ACB has recently designated its Athens, Georgia assessment Area as Clarke County, which is part of the four-county Athens MSA. The following table shows the income and population make-up of Clarke County:

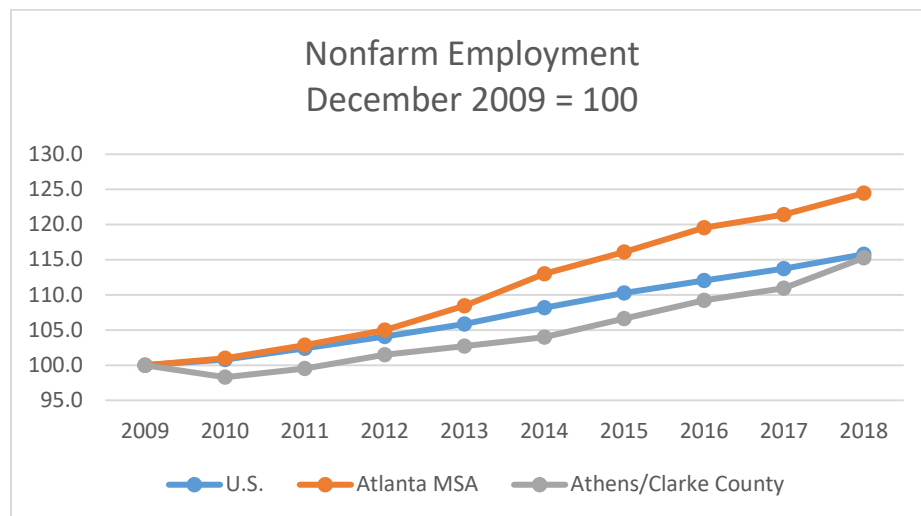
| Clarke County – Census Tracts | | Low | Moderate | LMI | Middle | Upper | Unknown |
|-------------------------------|---------|--------|----------|--------|--------|--------|---------|
| # | 30 | 7 | 4 | 11 | 10 | 8 | 1 |
| % | - | 23.3% | 13.3% | 36.7% | 33.3% | 26.7% | 3.3% |
| Clarke County - Population | | Low | Moderate | LMI | Middle | Upper | Unknown |
| # | 120,905 | 26,625 | 15,541 | 42,166 | 44,039 | 26,939 | 7,761 |
| % | - | 22.0% | 12.9% | 34.9% | 36.4% | 22.3% | 6.4% |

Clarke County contains concentrations of LMI areas and people living in LMI areas similar to the Atlanta Assessment Area. 36.7% of Clarke County census tracts are LMI and 34.9% of its population resides in LMI areas, compared to the Atlanta AA’s 38.9% and 34.1%, respectively.

Economic Conditions: Atlanta and Athens

The U.S. economy has been in an upward trajectory since 2009. ACB’s two Assessment Areas (“AAs”) have very different economic make-up, but have both benefitted from the positive national economy. The differences are illustrated in the following graphs that review the U.S. and both AA economies from December 2009 through December 2018.

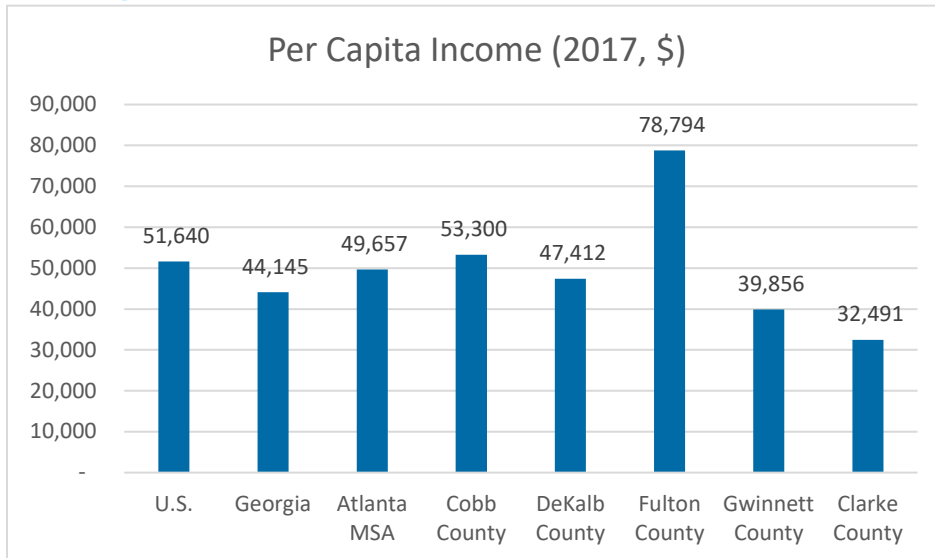
Employment Factors



While the Atlanta AA's economy (as measured by nonfarm employment) increased more than the nationwide economy, 24.5% versus 15.8% December 2018/December 2009; Athens/Clarke County employment increased 15.3%, about the national pace.

However, if you isolate the three year period of December 2015 through December 2018, both the Atlanta and the Athens area economies grew faster than did the U.S. Atlanta grew at a rate of 7.2% with Athens at 8.1%, versus the U.S. at 5.0%. Due to the accelerated growth that Athens experienced during this time, it was able to match U.S. economic performance over the longer nine year period.

Per Capita Income

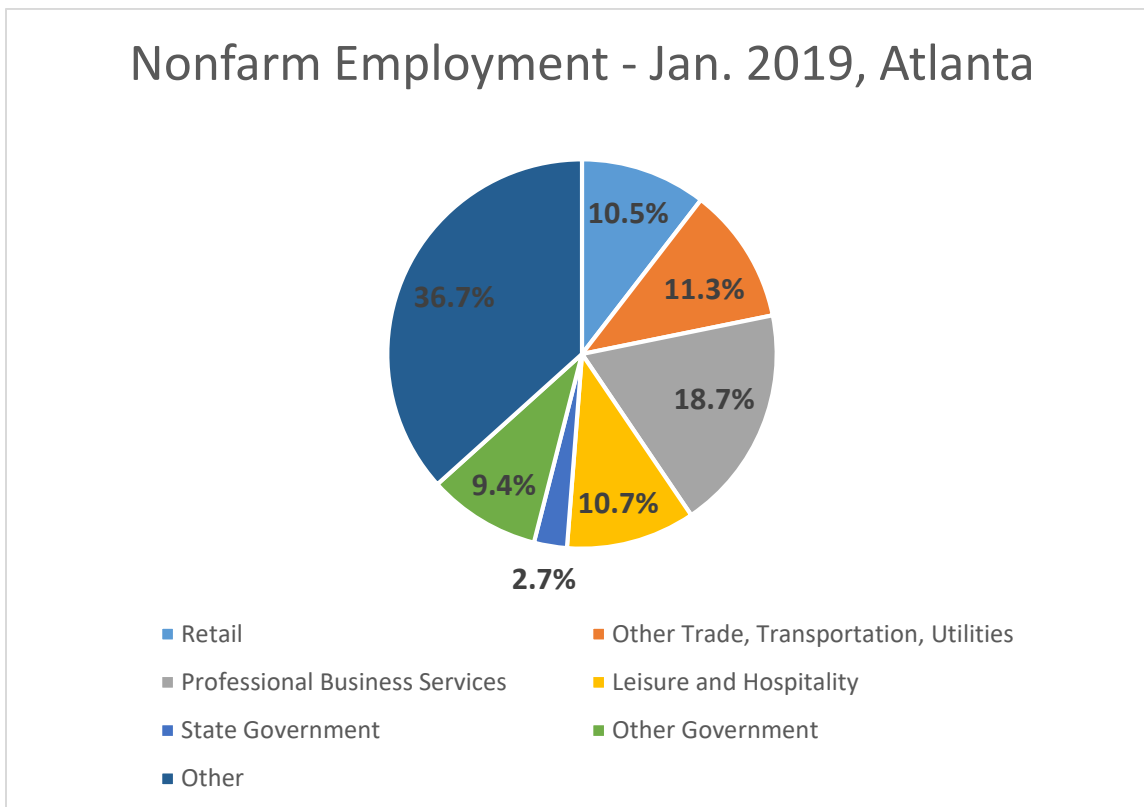
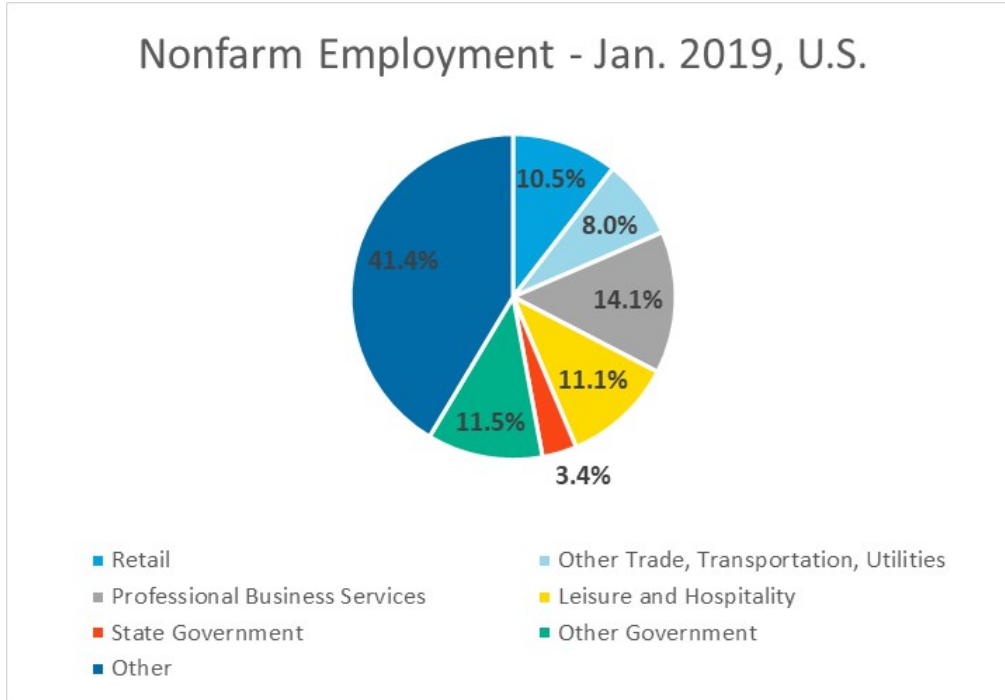


The four counties that make up ACB's Atlanta AA (Cobb, DeKalb, Fulton and Gwinnett) are within the Atlanta MSA. Of these counties, Fulton County's per capita income is significantly above the U.S. norm while Cobb County's is slightly above. Gwinnett and DeKalb counties' per capita income is below the U.S. average, with Gwinnett much lower.

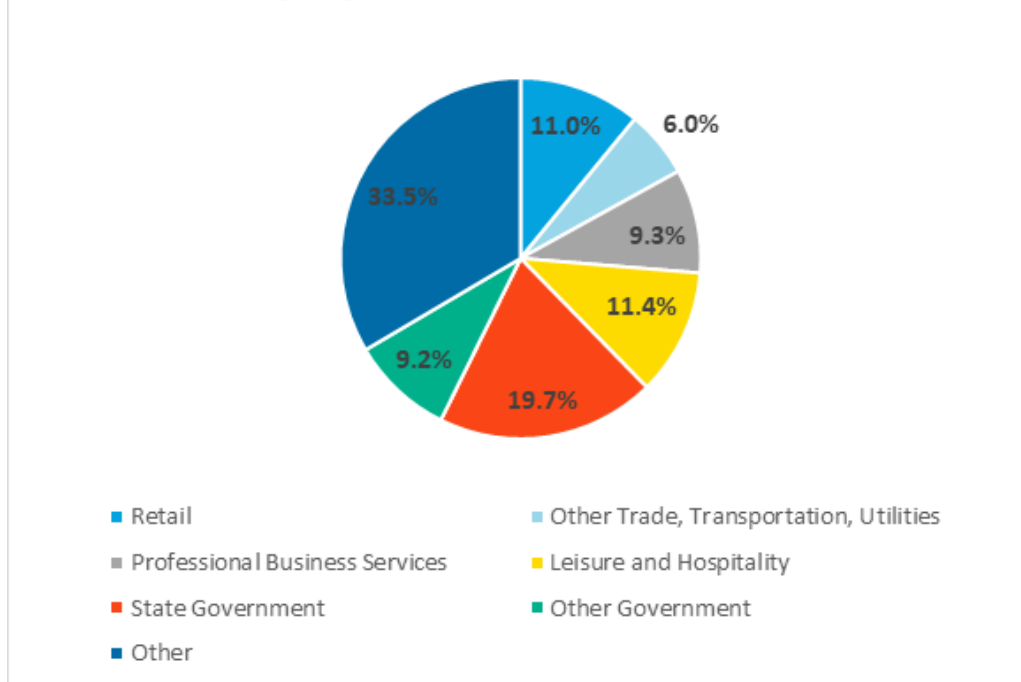
The Athens AA (Clarke County) income per person is well below the U.S., Georgia, and Atlanta MSA levels. It is the lowest per capita income of all ACB's counties.

Employment Composition

The following charts show nonfarm employment composition by industry at January 2019 (per U.S. Bureau of Labor Statistics data) for the U.S., Atlanta, and Athens.



Nonfarm Employment - Jan. 2019, Athens



Note: Other is Mining, Construction, Manufacturing, Information, Finance, Education and Health Services, and Other Services

Atlanta's economy is more service-focused than is typical for the U.S., with 51.2% of its jobs residing in the Retail Trade, Other Trade, Professional Services, and Leisure/Hospitality categories versus 43.7% for the U.S.

The University of Georgia dominates the Athens economy as shown by State Government jobs accounting for nearly 20% of the total compared to just over 3% nationwide.

Competitive Factors

Atlanta

Atlantic Capital faces substantial competition in all areas of our operations from a host of competitors, many of which are larger banks and may have more financial resources than we do. Such competitors primarily include national and regional banks within the markets that we operate. We also face competition from many other types of financial institutions including savings and loan associations, credit unions, finance companies, and other financial intermediaries. Additionally, due to their size, many competitors may be able to achieve economies of scale and, as a result, may offer a broader range of products and services as well as better pricing for those products and services than we can.

Per the Federal Deposit Insurance Corporation's ("FDIC's") *Summary of Deposits – Market Share* data (June 30, 2019), 60 other banks operate 737 offices in Georgia's Cobb, DeKalb, Fulton, and Gwinnett Counties. The following table shows deposit market shares of the 10 largest banks with branch offices in those counties.

| Rank | Bank | Deposit Share |
|-------|----------------------------|---------------|
| 1 | SunTrust ^a | 30.1% |
| 2 | Bank of America | 20.7% |
| 3 | Wells Fargo | 18.0% |
| 4 | BB&T ^a | 4.3% |
| 5 | JP Morgan Chase | 3.2% |
| 6 | RBC Bank | 2.9% |
| 7 | PNC Bank | 2.0% |
| 8 | Fidelity Bank ^b | 1.9% |
| 9 | Cadence | 1.8% |
| 10 | Synovus | 1.7% |
| Total | | 86.6% |

^a – To merge

^b – Acquired by Ameris Bank

These 10 largest banks have a combined deposit share near 87% in this four-county market. The planned combination of SunTrust and BB&T will place the resulting institution even farther ahead of Bank of America's number two market position.

Atlantic Capital, with a single branch in Fulton County, is ranked 11th in this four-county market with a 1.3% deposit share. Given that approximately \$691 million of deposits attributed to ACB's Atlanta branch were generated outside of Atlanta, ACB's Atlanta market share is less than 0.8%.

Athens

ACB opened its Athens, Georgia branch in late July 2019 and has just recently started gathering deposits in this market. ACB has operated a loan production office ("LPO") in Athens since 2016 but, as indicated in the *Strategic Plan Goals* section of this document, little lending activity has been generated to date.

As in the Atlanta market, ACB faces significant competition in Athens. Thirteen banks maintained 28 offices in Clarke County at June 30, 2019 (per FDIC data). Many of the competitors in Athens are the same as those larger national and regional banks that ACB competes with in Atlanta.

| Rank | Bank | Deposit Share |
|-------|-------------------------------|---------------|
| 1 | Synovus | 23.7% |
| 2 | SunTrust ^a | 21.6% |
| 3 | Bank of America | 16.8% |
| 4 | Wells Fargo | 9.3% |
| 5 | First American Bank and Trust | 8.9% |
| 6 | Cadence | 7.4% |
| 7 | BB&T ^a | 3.9% |
| 8 | United Community Bank | 2.7% |
| 9 | Regions Bank | 2.5% |
| 10 | South State Bank | 0.9% |
| Total | | 97.7% |

^a – To merge

The Athens market is even more concentrated than is Atlanta's, with its 10 largest banks having a combined deposit share near 98%.

Strategic Plan Components

Atlantic Capital's Board of Directors and management team recognize that the economic health and quality of life of all residents in its assessment areas contribute to ACB's and its clients' success. ACB has developed relationships with key non-profit and civic organizations in the assessment areas that promote the well-being and economic health of the communities in which we do business. ACB's Board of Directors, management and employees are actively involved in leadership roles and volunteer opportunities to promote the financial well-being and needs of low-and-moderate income people and communities. Through these activities, we proactively seek feedback from community members and key stakeholders. This feedback has helped us develop our strategic plan goals.

Goals

The Goals in this strategic plan reflect ACB's assumption of continued economic expansion in the markets it serves, but ACB expects the U.S. economy to grow less over the next few years than it has over the past few years.

Given that the U.S. economic upswing has gone on for significantly longer than average, an economic downturn cannot be ruled out over the contemplated time horizon for the strategic plan. Slower growth than recently experienced, or a recession, would affect ACB's ability to meet Goals while operating within safe and sound business practices. The COVID-19 pandemic emerged as this Plan was nearing submission to the OCC for review. We have not adjusted the Plan for the significant impacts that the pandemic is likely to have on the economy; pandemic effects will need to be considered as ACB's performance versus this Plan is evaluated.

Bank management intends to meet or exceed the metrics outlined below for lending, investments, charitable giving/donations, and volunteer service levels for each of the years covered in this strategic plan. It is the Bank's intention that by meeting these goals, we will also help meet the needs of the communities within our assessment areas.

ACB proposes the following four areas within which to concentrate its CRA efforts to achieve the Bank's strategic plan goals:

- Small Business Lending and Community Development Lending
- Investments
- Donations
- Service Hours

A description of ACB's activity and dedication in each of these areas within the Atlanta and Athens assessment areas is detailed below. In addition to the plan goals, this section of the document will describe specific initiatives and products that ACB has created based on feedback from the community and the needs of low-and moderate income areas and residents within our Atlanta assessment area to achieve a *Satisfactory* or better rating in each of these areas.

Goal 1: Small Business Lending and Community Development Lending

Small business loans (less than or equal to \$1 million at origination) will be a significant part of this strategic plan. ACB focuses on building long-term relationships with small businesses, emerging growth companies, and not-for-profit organizations within our assessment areas. We also cultivate strategic partnerships with stakeholders and non-profit organizations to explore more ways to access and support small businesses and small business owners.

This section of the strategic plan contains ACB's small business goals and targets for:

- Number of small business loans and community development loans
- Small business loans in LMI areas
- Small business loans to companies with annual revenues \leq \$1 million

Note: In monitoring and reporting ACB's performance against Plan goals for small business lending, given the OCC's revised CRA rule that becomes effective October 1, 2020, we will adjust the \$1 million thresholds for loan size and company annual revenues for loans made on and after October 1, 2020.

Small Business Lending (Less than or equal to \$1 million at origination)

As noted above, the Atlanta assessment area per the strategic plan encompasses the four counties of Cobb, Fulton, DeKalb and Gwinnett. The Athens assessment area is defined as the entirety of Clarke County. Our goals reflect small business lending throughout these counties.

How ACB Supports Small Business Lending

Small businesses are a significant source of job creation, and the need to support small business is essential to providing employment for the LMI residents and the LMI communities located within our assessment areas. Atlantic Capital provides a variety of lending products and services to support small businesses.

Small Business Booster Kit

The *Small Business Booster Kit* ("Kit") was designed to increase access to capital for small business owners, allowing them to build a favorable credit history and become more bankable.

The Kit includes a term loan that will help small business owners improve their personal credit to support their businesses. The objective is to aid clients who struggle with expanding their businesses due to previous credit challenges, moving them closer to becoming conventional banking and loan clients. Clients will have the opportunity to begin a relationship with a conventional business bank.

The Kit's product suite also includes a business demand deposit account with no monthly service charge, no minimum balance, and which allows up to 100 transactions per month with no additional fees. Free online banking and mobile deposit capabilities are available.

Not-For-Profit Banking

The not-for-profit banking ("NFP") group at ACB is a critical part of ACB's overall banking strategy. Having access to over 150 organizations with their fingers on the pulse of the community has allowed ACB to develop relationships with key stakeholders throughout the Atlanta community and stay up-to-date on critical community needs. In addition, ACB's NFP clients provide ACB employees opportunities to apply their volunteer service hours and become more involved in the community.

ACB's metrics, although not a separate component of its Strategic Plan, will reflect its NFP business segment, which specializes in serving the financial needs of local and regional organizations.

ACB is committed to the organizations that make the metro Atlanta community thrive with the understanding that not-for-profits operate differently than for-profit companies. ACB customizes underwriting and treasury services offerings to meet these organizations' needs. ACB serves many types of not-for-profits, including schools and universities, religious organizations, art and cultural institutions, social service organizations, and membership organizations

SBA Lending

The Small Business Administration provides support to small businesses and entrepreneurs who meet specific lending requirements. The SBA sets guidelines for loans, which are then executed by financial partners like ACB. When a business applies for an SBA loan, it is applying for a commercial loan structured according to SBA requirements, with an SBA guaranty.

ACB's experienced SBA bankers help small businesses and entrepreneurs navigate the complex SBA loan process by providing dedicated support to borrowers who:

- Desire to purchase/build facilities
- Need additional capital equipment
- Want to refinance existing debt
- Want to acquire another company
- Seek long-term working capital

SBA loan advantages include:

- Lower monthly payments
- Fully amortizing loans
- Higher loan-to-value ratios
- Longer terms than conventional loans
- Lower down payments
- Low or no prepayment penalties

Most of ACB's SBA lending takes place outside its AA, and as a result, hundreds of jobs are created in communities across the U.S.

Franchise Finance

ACB's Franchise Finance group collaborates with franchisors and distribution companies to tailor financing programs that allow their franchisees to access capital to grow their businesses and achieve financial success. ACB helps single-location and multi-unit operators across multiple industries execute strategies such as:

- Acquisition financing
- Ownership/Partnership transfer
- Real estate and equipment financing
- Inventory, accounts receivable, and working capital financing
- Start-up and expansion

- Construction
- Debt refinance

Most of ACB's Franchise loans are made outside its AA and many of ACB's Franchise loan customers are small businesses that create jobs in communities across the U.S.

Other Ways We Support Small Businesses

Financial Technology Group

ACB's Financial Technology ("Fintech") team works with early-stage, emerging-growth, and growth-stage companies to help them advance and navigate the complexities of the fintech business market. Georgia, and Atlanta in particular, is a major center for financial technology in the U.S.

ACB partners with businesses through:

- Treasury Management
- Payments and Banking Services
- Foreign Exchange
- Private Client Banking
- Investor Relationships
- Industry Expertise
- Growth Capital

ACB's Fintech clients have not been a significant lending source to-date. But ACB provides other banking services that allow these companies to operate more effectively and efficiently, supporting local economies and jobs.

Financial Institutions Group

ACB's Financial Institutions Group offers community banks liquidity management programs that address their need for security and liquidity while often providing higher yields than comparable alternatives. Although deposit balances generated from this source vary seasonally and the banks that participate in this program fluctuate, these funds rarely originate in ACB's AA.

ACB offering this product line benefits LMI areas outside ACB's AA. Of the \$282 million in ACB financial institution deposit balances at February 28, 2019, \$88 million (31%) were held by banks whose main offices were in LMI or Distressed/Underserved areas in Georgia and the Southeast U.S.

Community Development Loans and Partnerships

The strategic plan's Goal 1 includes *Community Development ("CD") Loans*. Community Development loans, defined for CRA purposes, include the following types of lending:

- Affordable housing for low- or moderate- income individuals or families,
- Community service organizations targeted to serve LMI individuals;
- Organizations that promote economic development by financing small businesses and farms; and,
- Revitalization or stabilization of LMI geographies, disaster areas, or distressed/underserved areas.

ACB generates such loans via its commercial real estate, commercial and not-for-profit business units and, from time-to-time, via its SBA and Franchise lending businesses. We have also developed meaningful strategic partnerships with numerous businesses and organizations promoting community development and serving LMI individuals. Descriptions of these partnerships are included in this portion of the plan document.

Community Development Loans

ACB's community development loan types include:

- Housing and apartment complexes
- Senior housing
- Commercial real estate acquisition and development/renovation
- Not-For Profit organizations and foundations
- Religious organizations
- Health and human service organizations
- Childcare and education
- Industrial facilities

Community development lending opportunities can be hard to find and difficult to forecast in volume, especially not knowing the economic climate that lies ahead. ACB's community development lending has seen some volatility over the 2016 – 2019 period, with 2016 volume unusually high.

We stated above that this strategic plan is based on an economic forecast of slower growth upcoming than we have seen recently. We have also noted a slowing in the multi-family housing market, where many community development lending opportunities arise.

The 2017 - 2019 CD loan levels (8 to 12 such loans per year) are in-line with what we expect to close annually for 2020 - 2022. If the U.S. economy grows more slowly than expected, or moves into a recession, over this time period, lending goals in this strategic plan would not be realistic and would not reflect safe and sound banking practices.

Community Development Partnerships - Atlanta

As noted, ACB's business model does not generate measurable levels of consumer/residential lending and ACB intends to satisfy its lending obligations under the CRA primarily through small business lending and community development lending. The Board of Directors and management realize that the Bank's support and engagement with organizations supporting affordable housing for LMI individuals and families, and community services targeted to LMI individuals within the Atlanta assessment area, are vital to the health of the communities in which we do business and are a more impactful way for ACB to serve this element of our community.

ACB continues to deepen its relationships with community groups as part of its commitment to community development in its AAs. ACB will continue to pursue additional partnerships (including business incubators and accelerators) that are beneficial for the community at large.

ACB’s Grove Park Relationship

Through time, effort, and with great care, ACB has cultivated a deep commitment to the Grove Park community and essentially “adopted” the community to focus our community development efforts. Grove Park, on the west side of Atlanta and within ACB’s Atlanta assessment area, is located in a part of Fulton County almost entirely comprised of LMI census tracts.

The census tract in which Grove Park resides has the following characteristics, compared to the county in which it is situated:

| Area | Income | | |
|---------------|--------------------|-------------|----------|
| | Est. Median Family | Tract Level | % of MSA |
| Grove Park | \$38,889 | Moderate | 52.3% |
| Fulton County | \$87,740 | - | 117.9% |

| Area | Population, % Below Poverty |
|---------------|-----------------------------|
| Grove Park | 28.8% |
| Fulton County | 18.0% |

| Housing | | | | |
|---------------|-------------|--------|--------|----------|
| Area | Occupancy % | | | Age |
| | Owner | Renter | Vacant | |
| Grove Park | 26.0% | 35.4% | 38.6% | 50 years |
| Fulton County | 44.2% | 41.2% | 14.6% | 35 Years |

Grove Park’s census tract is surrounded by five Low-Income tracts and one Upper-Income tract with the following characteristics:

| Income | | | |
|---------------|--------------------|-------------|----------|
| Area | Est. Median Family | Tract Level | % of MSA |
| Grove Park | \$38,889 | Moderate | 52.3% |
| 5 Low Tracts | \$27,833 | Low | 37.4% |
| 1 Upper Tract | \$98,238 | Upper | 132.0% |
| Fulton County | \$87,740 | - | 117.9% |

| Area | Population, % Below Poverty |
|---------------|-----------------------------|
| Grove Park | 28.8% |
| 5 Low Tracts | 32.5% |
| 1 Upper Tract | 33.1% |
| Fulton County | 18.0% |

| Housing | | | | |
|---------------|-------------|--------|--------|----------|
| Area | Occupancy % | | | Age |
| | Owner | Renter | Vacant | |
| Grove Park | 26.0% | 35.4% | 38.6% | 50 years |
| 5 Low Tracts | 19.1% | 62.1% | 32.1% | 46 years |
| 1 Upper Tract | 52.6% | 32.0% | 15.4% | 66 years |
| Fulton County | 44.2% | 41.2% | 14.6% | 35 Years |

The Grove Park community is a low income, high poverty area. Vacancy rates are 38.6% as compared to Fulton County's 14.6%. ACB primarily supports affordable housing in its Atlanta AA through the programs and events facilitated in Grove Park.

ACB's relationship with the Grove Park community started in 2014 through a lending relationship with Grove Park Renewal (www.groveparkrenewal.org). Grove Park Renewal is a community-minded housing partner that invests in vacant and blighted properties located in Grove Park with the goal of repurposing them in ways that benefit the Grove Park neighborhood and keep the existing residents in the community. The purpose for the loans was to rehabilitate homes and properties in Grove Park, as aligned with Grove Park Renewal's mission. Over the past several years, ACB has developed strong relationships within the Grove Park community, including The Grove Park Foundation ("GPF") (www.groveparkfoundation.org).

In addition, ACB sponsors multiple community advisory meetings and created a Community Advisory Council that includes influential neighborhood residents, business owners, a local pastor, and representatives from the Grove Park Neighborhood Association. The Council's purpose is to determine the residents' needs and the best course of action to fulfill them. ACB's response to the meetings and other sponsored activities has resulted in financial empowerment programming in partnership with the Grove Park Foundation.

The Grove Park Foundation which serves as the *Community Quarterback* per the *Purpose Built Communities* model, has been an essential partner enabling ACB to facilitate programming and support that is relevant and critically needed in the community. The Foundation's work will provide an integrated education solution to Grove Park by facilitating the construction of an Atlanta Public School which will be run by KIPP Metro Atlanta (www.kippmetroatlanta.org), also an important not-for-profit client of ACB. The building will include a YMCA with an early learning academy, a school-based health center, and a wellness center. The work that GPF is doing includes multiple businesses and community leaders creating an excellent opportunity for ACB to collaborate with these groups and entities.

An ACB executive has served on GPF's Board of Directors since 2016. ACB's Chairman of the Board of Directors resides on GPF's capital campaign committee. ACB provides banking services to GPF, including multiple loans for the acquisition of property to be used for an affordable housing project.

Multiple ACB senior executives play on-going consultative roles with GPF. In addition, members of ACB's executive team continue to identify numerous opportunities to connect GPF's leadership to other charitable organizations and other funding sources within the Atlanta community.

The Grove Park Foundation's work will be transformational to the community. ACB is committed to a long-term and sustainable relationship in their critical work. While ACB is not a significant consumer or housing-related lender, ACB supports housing in the Grove Park area by:

- Sponsoring financial literacy and credit programs in the community.
- Donating to multiple community development organizations working in Grove Park
- Serving as the primary operating bank for the GPF and Grove Park Renewal
- ACB service days in Grove Park to include financial literacy classes to yard clean-up

The CRA impact of ACB's Grove Park relationship will be reflected in ACB's performance across all Atlanta AA goal/target categories, but especially in donations and volunteered service hours. Grove Park will continue to be a critical part of our strategic plan.

Additional Community Partnerships

ACB's Community Development Officer has established relationships with multiple entities supporting small business growth throughout the Atlanta AA. These organizations are *Access to Capital for Entrepreneurs* ("ACE"), *Atlanta Neighborhood Development Partnership, Inc.* ("ANDP"), which are both *Community Development Financial Institutions* ("CDFIs"), *Invest Atlanta* and *The Russell Center for Innovation and Entrepreneurship*.

ACE (www.ace loans.org) is an SBA *Microloan Intermediary*, a U.S. Department of Agriculture *Intermediary Relender*, and a certified CDFI. ACB's loans to ACE are re-lended in the form of small loans to small businesses.

ACB has made loans to ACE for its Rotating Capital Funds ("RCFs"), which are used to lend as microloans to small businesses and entrepreneurs.

ACB meets regularly with ACE's founder and business development heads to identify additional partnership opportunities. In the past, ACB has sponsored and attended ACE events. ACB has educated ACE on its Small Business Booster Kit product to identify clients who would best benefit from the Kit and ACB relationship. ACB sponsors a workshop in ACE's Women's Business Center and a breakout session at their Annual Expo to help their clients gain access to the Small Business Booster Kit.

ANDP (www.andpi.org) was established in 1991 to address what was viewed as a diminishing supply of affordable housing in the metro Atlanta region and to help reclaim declining neighborhoods in its core. ANDP's mission is to promote, create, and preserve mixed-income communities through direct development, lending, policy, research and advocacy that result in a more equitable distribution of affordable housing throughout the metro Atlanta region.

ACB has made loans to ANDP for its RCFs, which are used to acquire and rehabilitate vacant/foreclosed single-family homes that will then be sold or leased. These funds will be deployed as rotating, working capital to support ANDP's acquisition and rehabilitation efforts.

In 2019, ACB deepened the relationship with ANDP by partnering with them on their *Home South DeKalb* initiative, a three-year commitment to lift homeownership rates, restore family wealth, increase neighborhood stability, and improve resident health and wellness outcomes in South DeKalb County. These areas were some of the hardest hit in the foreclosure crisis and have been some of the slowest to recover. A representative of ACB has been appointed to the Advisory Council for this initiative and ACB will continue to work with ANDP on this project for the duration of its three-year period.

Invest Atlanta (www.investatlanta.com) is the City of Atlanta's development authority. The organization provides: down payment and first-time homebuyer assistance, funding and incentives for developers and programs to enhance affordable housing opportunities.

In 2018, ACB provided \$10,000 to Invest Atlanta to become a *Participating Lender* and allow applicants' access to Invest Atlanta's Homebuyers Incentives. Applicants that complete required homebuyer educations are eligible for incentives from Invest Atlanta that include several forms of down-payment and closing cost assistance.

ACB no longer offers mortgage products on a large scale, and therefore is no longer participating in this program. However, ACB continues to be involved with the senior leadership and supports many

community initiatives in partnership with Invest Atlanta, such as their *Southside Accelerator* program (“Accelerator”) in 2019.

Through Invest Atlanta’s Accelerator, ACB partnered with The Guild, a co-living, community wealth and resiliency organization. Through the partnership, we provided financial literacy for the attendees of the Accelerator including business banking and lending education. Several of the attendees expressed interest in and followed through with obtaining Small Business Booster Kits as a way to start building a banking relationship for their business.

RCIE (www.rcie.org) Russel Center for Innovation and Entrepreneurship was launched in 2019, honoring the great legacy and visionary business leadership of Herman J. Russell. RCIE is the largest center in the country, driven by community impact, devoted to empowering African American entrepreneurs and small business owners. Located in one of Atlanta’s Opportunity Zones, RCIE will eventually house over 50,000 square feet of affordable co-working, convening, meeting and makerspace; along with a robust offering of educational, mentoring, networking, and capital resources; dedicated to inspiring ideas, creating jobs, scaling companies, and increasing wealth in the community. ACB began a partnership with RCIE upon its opening and has sponsored multiple workshops supporting small business owners and entrepreneurs.

Federal Home Loan Bank of Atlanta ACB is a member of the Federal Home Loan Bank of Atlanta (“FHLBA”) and met with them in late 2017 to discuss its CRA program. In early 2018, FHLBA provided a *CRA Success Roadmap* to assist ACB. Among other things, FHLBA offers first-time homeowner and lower-income family assistance programs. ACB has ongoing dialog with the FHLBA regarding CRA.

Citizens Trust Bank ACB is working on the details of an emerging partnership with Atlanta-based Citizens Trust Bank (“CTB”), a *Minority- and Women-Owned Financial Institution* as defined in 12 USC 2907(b) and a CDFI. As of this plan’s writing, ACB has an informal relationship with CTB participating in 2018 Grove Park Financial Empowerment Program (“FEP”) sessions. As individuals and families emerged from the FEP, we referred them to CTB for housing finance consideration. ACB intends to continue developing this relationship of referral and community service.

Fintech Relationships That Promote Community Development

While not generating any lending for which ACB will receive CRA-benefit, ACB has developed relationships with two technology companies that promote community development in other ways.

Self Lender

Self Lender, based in Austin, Texas, launched in 2014. Self Lender caters to a nationwide consumer customer base that either has no credit history or poor credit. Doing business with Self Lender allows these individuals to build or rebuild their credit while saving money.

ACB began working with Self Lender in February 2019. Self Lender takes consumer applications on-line and offers a certificate of deposit-secured, small (\$500 - \$1,700), short-term (6- to 18-month) installment loan.

If the consumer pays as agreed, at loan maturity the deposit that secured the loan is released to the customer (savings), the three credit bureaus will have received reports of satisfactory installment loan payments, and the consumer’s credit scores will elevate.

Loans and deposits are processed on Self Lender's core systems with ACB providing the balance sheet for the loans and deposits. Self Lender's business is rapidly growing and consumers nationwide benefit from this relationship between Self Lender and ACB.

The Self Lender relationship has generated most of ACB's consumer loans. Of the \$22.7 million in consumer loans on ACB's balance sheet at September 30, 2019 shown in this document's *Loan Portfolio* section, \$14.6 million (66%) resulted from the Self Lender relationship.

Qoins

Qoins, based in Atlanta, Georgia, commenced operations in 2017 and offers a micro-payment solution to consumer customers. A Qoins consumer designates an amount that will be added to each transaction in the consumer's bank account (e.g., round up to next dollar amount, add a dollar to every transaction).

Qoins extracts these funds from the consumer's bank account and applies them as directed by the consumer – e.g., pay down student loan, credit card debt. ACB moves funds from Qoins' customers' bank accounts to the creditors they designate. Consumers benefit by paying less interest and paying off debt more quickly.

Note: ACB would like to develop relationships with other fintechs and maintain and grow the relationships with Self Lender and Qoins. However, fast-growing and successful fintech companies are often acquired so ACB cannot know the extent of this business it will be able to conduct over the Plan period.

Community Development Partnerships – Athens

While our Athens office is primarily focused on business lending and only opened as a deposit taking branch in July 2019, we recognize the need to identify key Community Development groups and organizations in the assessment area and to forge deep partnerships.

We have identified the following groups and organizations at this writing and are beginning to build those relationships. We will remain open to additional partnerships that can complement our Community Development work and help achieve the goals in the community.

UGA Small Business Development Center ("SBDC") The University of Georgia SBDC's goal is to enhance the economic well-being of Georgians by providing a wide range of educational services for small business owners and aspiring entrepreneurs. SBDC provides tools and resources to help small businesses. The Athens location of the SBDC has been a partner of ACB for some time. We have sponsored their GrowSmart class for several years. We have also developed a vendor relationship with their Women's Expo in the fall of each year. In 2019, our Community Development Officer provided information about our Small Business Booster Kit to the Expo attendees. From those sponsorships, we have developed several client relationships and several prospects. We have committed to continue our Expo sponsorship and intend to continue our GrowSmart sponsorship. We further plan to deepen the relationship in a way that is supportive and beneficial for the SBDC and their clients.

Downtown Ministries is a non-profit located in the heart of Athens and serves LMI families and individuals through their Downtown Sports, Downtown Academy, Downtown Life and Our Daily Bread service channels. These services include reaching children through sports programs in football, cheerleading, basketball and golf. Downtown Academy offers a private school for K - 5th grade with

income-based scholarships available to cover up to 98% of tuition. Downtown Life focuses on After School Program, Cub Scouts, and a job skills training course for adults. Our Daily Bread Community Kitchen provides breakfast and lunch, Monday through Friday, for anyone who needs a meal. Annually more than 75,000 meals are provided.

ACB provided a financial education workshop to fifth graders at Downtown Academy and has donated through our Charitable Giving Committee to their programs for many years. We are working with our connections at Downtown Academy to develop a deeper relationship.

Books for Keeps is a non-profit that has given more than half a million books to low-income families in grades Pre-K through 12 since 2009. Books for Keeps has made monumental impact in the lives of the students by increasing grade level reading comprehension through their summer reading programs.

ACB has partnered via charitable donation with Books for Keeps for several years. We are exploring how to increase our involvement with this worthy organization.

Northeast Georgia Business Alliance is a non-profit whose mission is to expand access to capital and procurement opportunities for African-American organizations in Northeast Georgia. In 2020, an emerging relationship is being explored and ideas for working together are in the first phases of exploring and planning. ACB is excited about the partnership that could blossom from this new connection.

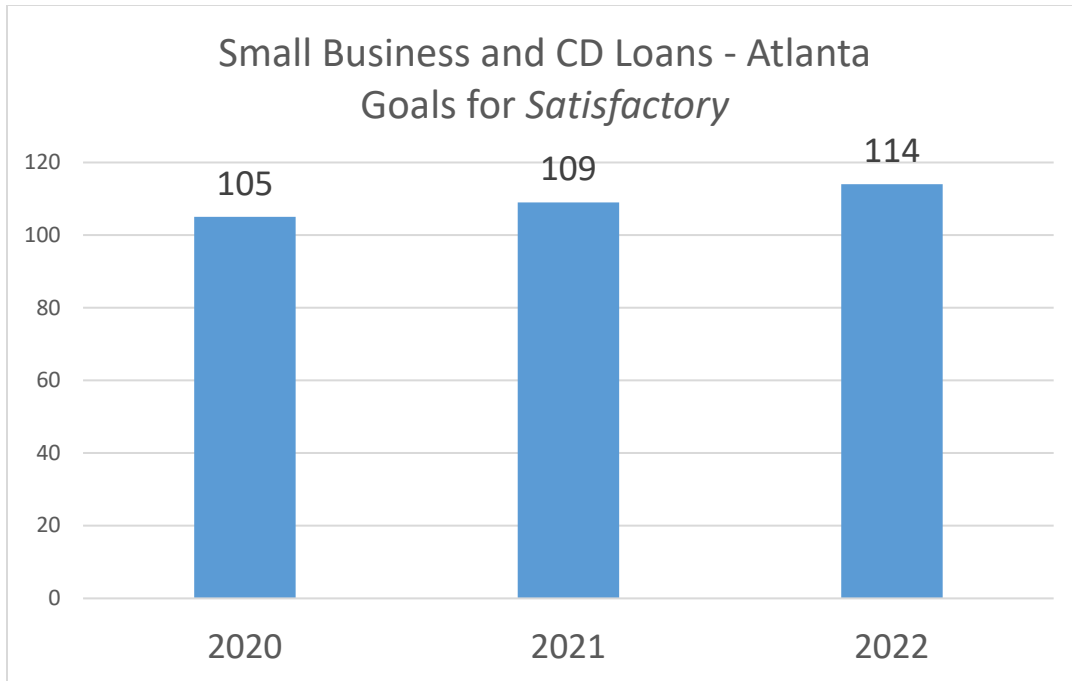
As we gain experience operating a branch in Athens, ACB is seeking additional CD relationships.

Goals for Small Business Lending and Community Development Lending

Atlanta

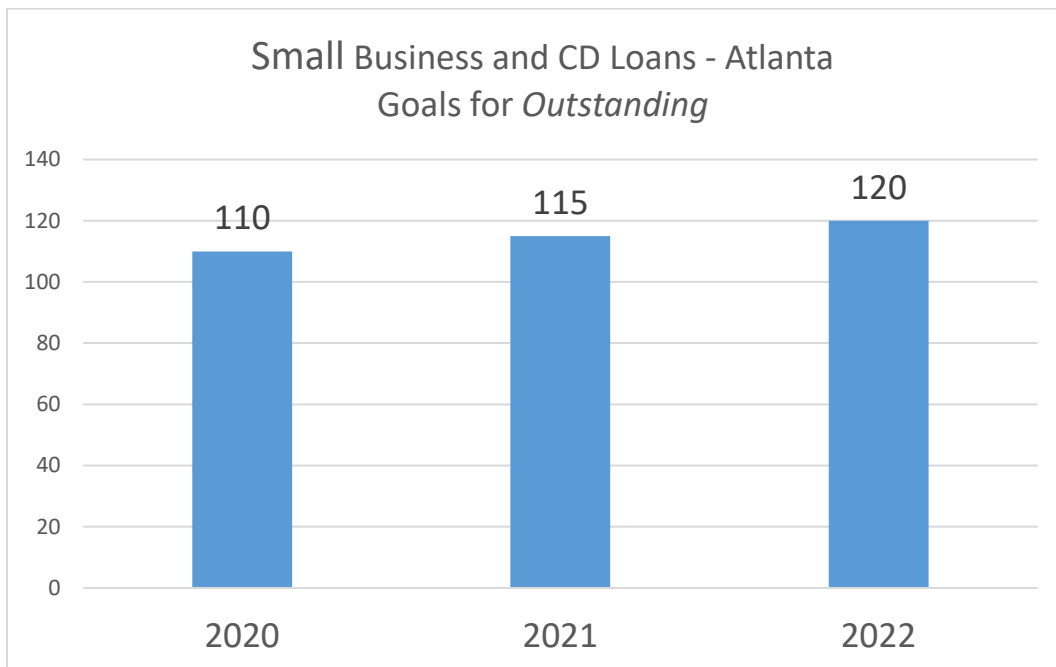
Goals for a Satisfactory Rating – Small Business and CD Loans

For a *Satisfactory* rating, ACB is targeting to close 105 small business and CD loans in the year 2020 with moderate growth over the rest of the plan period. These targets assume continued economic expansion and Small Business Booster Kit loans at about 2019's level.



Goals for an Outstanding Rating – Small Business and CD Loans

For an *outstanding* rating, ACB is targeting 110 small business and CD loans in 2020 with moderate growth over the rest of the plan period.



ACB also sets goals related to lending in LMI areas and to businesses with annual revenues at or below \$1 million. These ACB goals are based only on small business lending and do not consider CD lending.

Goals for Lending in LMI Areas

ACB uses a vendor, TruPoint Partners (“TruPoint”), whose software includes Benchmark data to which we can compare our lending. In recent years, those benchmarks for small business lending in LMI areas have been in the 17% to 25% range.

ACB’s goals for lending in LMI areas in the Atlanta AA are based on the benchmarks noted above:

| Year | % of Small Business Loans in LMI Areas | |
|------|--|----------------|
| | Satisfactory: ≥ | Outstanding: ≥ |
| 2020 | 20.0% | 25.0% |
| 2021 | 20.0% | 25.0% |
| 2022 | 20.0% | 25.0% |

Goals for Lending to Small Revenue Companies

As for loans in LMI areas, ACB’s targets for small business lending to small revenue companies (≤ \$1 million per year) are based on benchmarks derived from TruPoint software. In recent times, all lenders in ACB’s Atlanta assessment area made about 45% of their small business loans to small revenue companies.

But some of these other lenders had loan volumes far exceeding ACB’s and many of those loans were via credit card programs, which ACB does not offer. Looking at *Similar Size* lenders – those with loan volume between 50% and 200% of ACB’s - generates a more meaningful benchmark of 34.2%. ACB’s small business loan distribution to small revenue companies has slightly lagged the Similar Size Benchmark in recent times.

ACB’s goals below for lending to small revenue companies in the Atlanta AA are based on approaching the Similar Size Benchmarks referenced above over this Plan’s duration, with the understanding that this Benchmark can and will change over time:

| Year | % of Small Business Loans to Small Revenue Companies | |
|------|--|----------------|
| | Satisfactory: ≥ | Outstanding: ≥ |
| 2020 | 22.0% | 25.0% |
| 2021 | 25.0% | 30.0% |
| 2022 | 30.0% | 34.0% |

Additional information on ACB’s tracking of small business loans made to small revenue companies is contained in Appendix 2.

Other Benchmark-type data reviewed by ACB are shown in Appendix 3.

Athens

As noted previously in this plan, the Athens assessment area is Clarke County. ACB began seeking deposit business in the Athens area upon opening its branch in late July 2019. ACB has generated two to four small business loans per year in Clarke County over recent years.

ACB's Athens focus has been entirely business lending and this will remain so. ACB will target to close three small business loans per year in its Athens AA over 2020 – 2022 to obtain a *Satisfactory* rating and five or more loans for an *Outstanding* rating.

Based on our CRA tracking and analysis software, about 29% of small business lending in the Athens AA has been made in LMI areas. Based on the same source, 44% of small business loans have been made to small revenue companies over the past few years. In the next CRA Strategic Plan, ACB may be able to set targets for LMI and small revenue company lending.

Other Benchmark-type data reviewed by ACB for its Athens AA are shown in Appendix 3.

Goal 2: Investments

Atlanta

Since inception, ACB has made CRA-related investments in and around the AAs that it serves. Investment types include:

- Low Income Housing Tax Credits
- Small Business Investment Company Investments
- Municipal bonds (“Munis”)
- Mortgage-backed securities (“MBS”)
- Certificates of deposit (“CDs”)

Investments in ACB's Atlanta AA have been over \$50 million in recent years, over 15% of ACB's Shareholders' Equity (“SHE”).

Atlanta AA Investment Targets

ACB views CRA investments at 10% or more of SHE to be sufficient for an *Outstanding* rating, which means investments totaling at least \$32.6 million over the Plan period. We consider investments at 5% of SHE to result in a *Satisfactory* rating in this category (\$16.3 million).

Nonetheless, we will target:

- ≥ \$54 million at each year-end 2020, 2021, and 2022 for *Outstanding*
- ≥ \$45 million but < \$54 million for *Satisfactory*

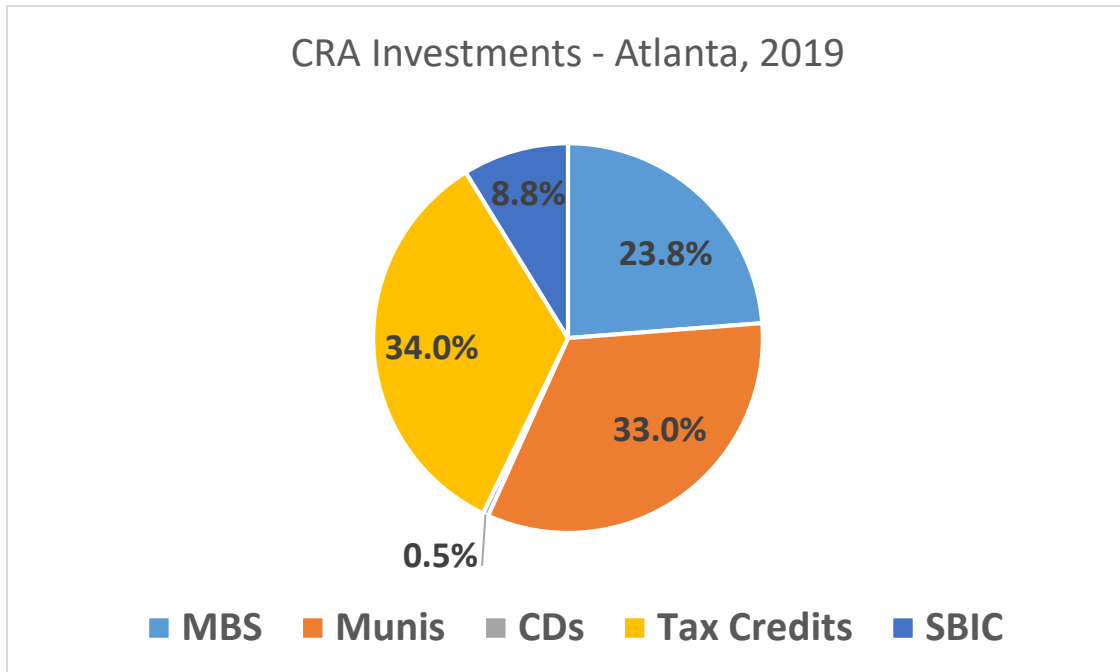
In determining CRA investment goals for this Plan, ACB reviewed the CRA performance evaluations for Seacoast Commerce Bank and Silicon Valley Bank, noted in this document as having similar business models to ACB's. SCB's CRA investments were noted as exceeding its goal for *Outstanding* performance in this category and measured 1.7% of December 31, 2014 SHE. SVB's investments were noted as exceeding its goal for *Satisfactory* and were 3.6% and 3.5%, respectively, of its December 31,

2016 and December 31, 2017 SHE. ACB’s goal for *Satisfactory* performance in the investments category far exceeds these two banks’ performances.

Investment Mix

Atlanta AA investments have been made in a variety of instruments and include complex Low Income Housing Tax Credits (“Tax Credits”) and Small Business Investment Companies (“SBIC”).

Nearly 1/3 (\$18.3 million) of ACB’s investments are Tax Credits and SBIC account for another 8.8% (\$4.7 million).



ACB intends to maintain an investment mix that includes more complex instruments such as Tax Credits and SBIC over the strategic plan period.

Athens

CRA investment opportunities are not nearly as available in Athens as in Atlanta, including by investment type. We are likely to be able to find municipal securities in this market and ACB’s Investment targets for Athens are:

| Target for: | Year-end 2020 | Year-end 2021 | Year-end 2022 |
|--------------|---------------|---------------|---------------|
| Outstanding | \$250,000 | \$750,000 | \$1.5 million |
| Satisfactory | \$250,000 | \$500,000 | \$1 million |

We also find CRA investments in the Athens area to be expensive, which along with few investment vehicles, limits our investment opportunities there.

Goal 3: Donations

Atlanta

To contribute to an institution's CRA performance, a charitable donation should fall into one of the following categories:

1. It resulted in the sharing of information about the institution's lending services
2. Information was obtained regarding the community's credit needs
3. Community members were informed about how to get or use credit
4. The activity or charitable donation assisted in providing credit services or information to the community
5. The activity or donation assisted a community development or redevelopment effort (*per the Interagency [OCC, Fed, FDIC] Qs & As re: CRA*)

ACB offers an *Employee Matching Gift Program* that provides a match of up to \$250 per year to a qualified organization or charity. ACB also supports communities through its partnership with United Way, offering payroll deduction opportunities for its employees' donations.

Via its Atlanta operations ACB made donations (per the CRA definition) in 2019 totaling over \$125,000.

The Bank's goals for donations/contributions during the Plan years are:

| Year | Target for: | |
|------|-------------|--------------|
| | Outstanding | Satisfactory |
| 2020 | \$125,000 | \$100,000 |
| 2021 | \$125,000 | \$100,000 |
| 2022 | \$125,000 | \$100,000 |

Our goals represent a stable and consistent investment into the communities in which we do business. Although not required in a CRA strategic plan, ACB has elected to include a donations goals in its CRA strategic plan as we see this as an important part of ACB's support to community organizations providing credit and financial literacy programing and community development.

ACB's donation/sponsorship goals are 0.0043% of its December 31, 2019 Total Assets for *Outstanding*; 0.0034% for *Satisfactory*. For banks with similar business models to ACB's:

- Silicon Valley Bank – 0.0026%/Outstanding, 0.0020%/Satisfactory
- Seacoast Commerce Bank – 0.00081%/Outstanding, 0.00076% for Satisfactory

ACB's goals for donations are much higher than these similar institutions.

Athens

ACB made contributions in the Athens area of \$11,050 in 2019, split among community sponsorships, contributions, and charitable donations. We will target \$15,000 per year over the 2020 – 2022 Plan period for *Satisfactory* and \$20,000 per year for *Outstanding*.

Goal 4: Service Hours

Atlanta

ACB encourages its employees to give back to their communities by applying their talents to support community service organizations and initiatives. ACB offers its employees up to 36 hours per year of paid volunteer hours. We understand that to qualify for the goals outlined below, the service must:

- Be completed by a representative of the Bank
- Have Community Development as its primary focus
- Be related to the provision of Financial Services or
- Relate to our employees providing professional expertise to a CD organization

Additionally, when the OCC's revised final rule re: CRA becomes effective on October 1, 2020, ACB will include in its performance versus this goal *all volunteer hours, including manual labor, provided to a CD project*.

Providing financial services often involves informing community members about how to get or use credit or otherwise providing credit services or information to the community. For example, service on the Board of Directors of an organization that promotes credit availability or finances affordable housing is related to the provision of financial services. Providing technical assistance about financial services to community-based groups, local or tribal government agencies, or intermediaries that help to meet the credit needs of low- and moderate-income individuals or small businesses and farms is also providing financial services. By contrast, activities that do not take advantage of the employees' financial expertise, such as neighborhood cleanups, do not involve the provision of financial services and are not included in our service goals (until October 1, 2020 as noted above).

As of October 31, 2019, Atlantic Capital Bank had 163 employees based in Atlanta. These employees provided 393 hours to CRA-related causes in 2019, about 2.4 hours per employee, which we consider strong.

ACB goals for service hours are:

| Year | Target for: | |
|------|-------------|--------------|
| | Outstanding | Satisfactory |
| 2020 | 2.5 per FTE | 1.7 per FTE |
| 2021 | 2.5 per FTE | 1.7 per FTE |
| 2022 | 2.5 per FTE | 1.7 per FTE |

The above goals for performance are in line with comparator banks. For the two banks with business models similar to ACB's, Seacoast Commerce Bank's goals in its CRA Strategic Plan for 2019 – 2023 are

three hours per employee for *Outstanding* and two hours for *Satisfactory*. In Silicon Valley Bank’s 2018 – 2020 CRA Strategic Plan, it sets goals for total employee hours which work out to 2.08 hours per employee for *Outstanding* and 1.39 hours for *Satisfactory*. ACB’s targets are comparable to SCB’s and SVB’s goals.

ACB’s Executive Management team and Board of Directors provide support for communities through serving as Board of Director Chairs, Board members, and other involvement with an array of organizations facilitating community development activities in Atlanta. Mostly not included in this CRA strategic plan’s metrics, information on these groups’ services to communities is available through ACB’s public website via the following:

<http://www.snl.com/IRW/OD/4155740>

Athens

The Athens office logged an exceptional 160 CRA eligible hours in 2019, mostly due to one employee’s work with a local organization. We do not feel this is a reasonable or sustainable for ACB’s six Athens-based employees in aggregate. We believe that two hours per employee per year is reasonable for *Satisfactory* and three hours per employee per year would be appropriate for *Outstanding*.

Public Participation in CRA Strategic Plan Development

As noted in this document, ACB has been involved with several community groups in recent years and has received input and feedback from them on community needs. The bank solicited input from entities within the assessment area.

Atlanta

- Grove Park Foundation and related entities
- Access to Capital for Entrepreneurs (a CDFI)
- Atlanta Neighborhood Development Partnerships, Inc. (CDFI)
- Invest Atlanta – City of Atlanta development authority
- Russell Center for Innovation and Entrepreneurship
- Federal Home Loan Bank of Atlanta
- Citizens Trust Bank (*Minority- and Women-Owned Financial Institution* and CDFI)

Athens

- UGA Small Business Development Center
- Downtown Ministries
- Books for Keeps
- Northeast Georgia Business Alliance

Plan Duration

Date of the Plan’s OCC approval through 2022.

ACB Review of Other Banks' CRA Strategic Plans

In developing this initial draft Plan, ACB has reviewed many other banks' CRA strategic plans. Banks operating under strategic plans are typically much smaller than ACB or much larger (e.g., Ally Bank and Charles Schwab Bank).

Some banks relying on strategic plans for CRA evaluation operate business models very different from ACB's. CRA strategic plans range from fairly simple in construct to quite complex. ACB would like to operate closer to simple than complex.

ACB believes that its CRA strategic plan should most closely resemble those for Seacoast Commerce Bank ("SCB") and Silicon Valley Bank ("SVB"), which are business-oriented institutions.

At their latest Call Report filings, SCB's total assets were \$1.1 billion (September 30, 2019) and SVB's total assets were \$67.1 billion (September 30, 2019).

Strategic plan goal categories used by these banks, and anticipated for ACB are:

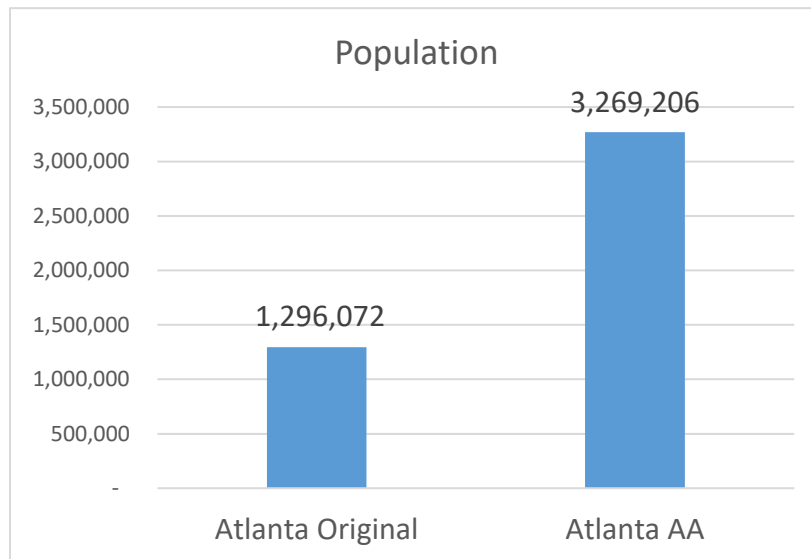
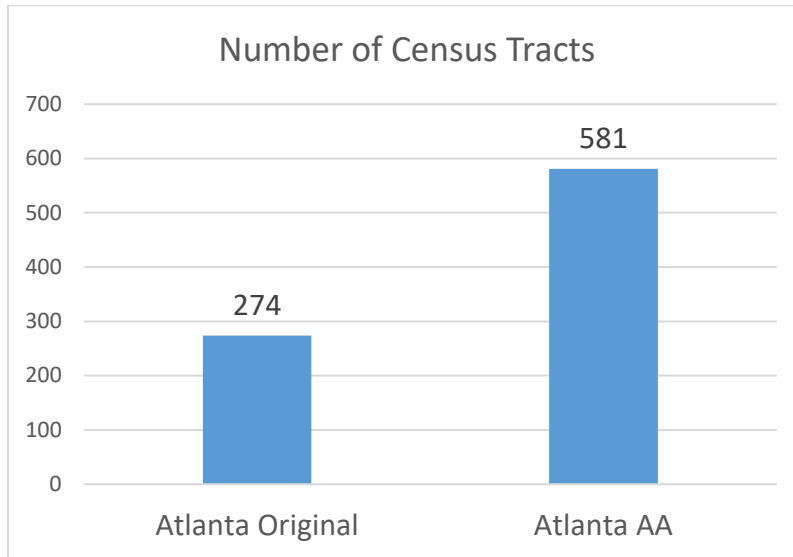
- Small business loans
 - SCB's small business loan goal is expressed as a percent of its assets per year; additionally, SCB targets 30% of these loans to companies with revenues at or below \$1 million and 25% of these loans are targeted for LMI areas
 - for SVB, number of loans per Plan year with only those to smaller revenue companies considered
- CD loans – percent of assets for SCB, dollar ranges for SVB
- Investments – dollar ranges, only for SVB
- Donations/Grants – dollar goals for both
- Volunteer hours – SCB's goals are per employee while SVB uses an aggregate number per year

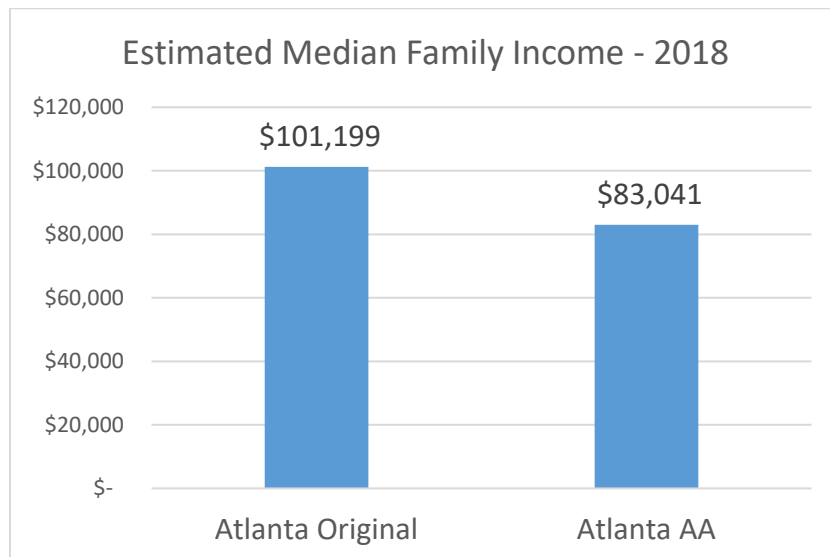
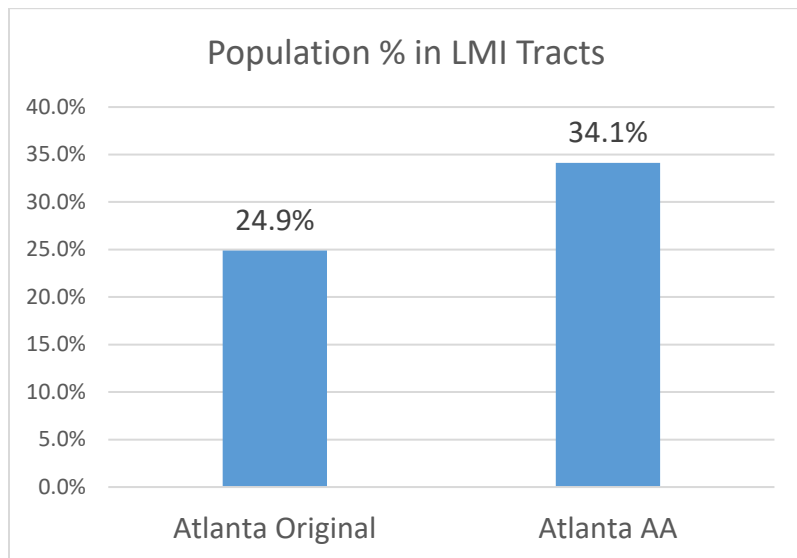
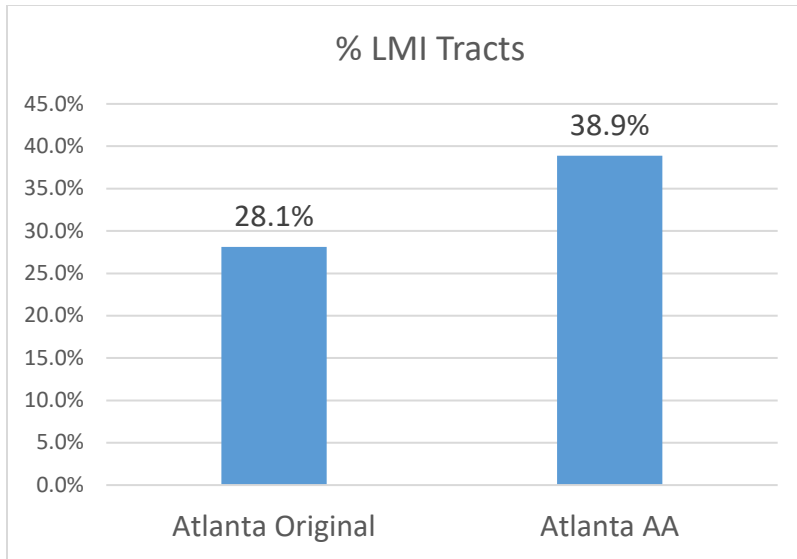
Neither of these banks includes consumer lending in its CRA strategic Plan.

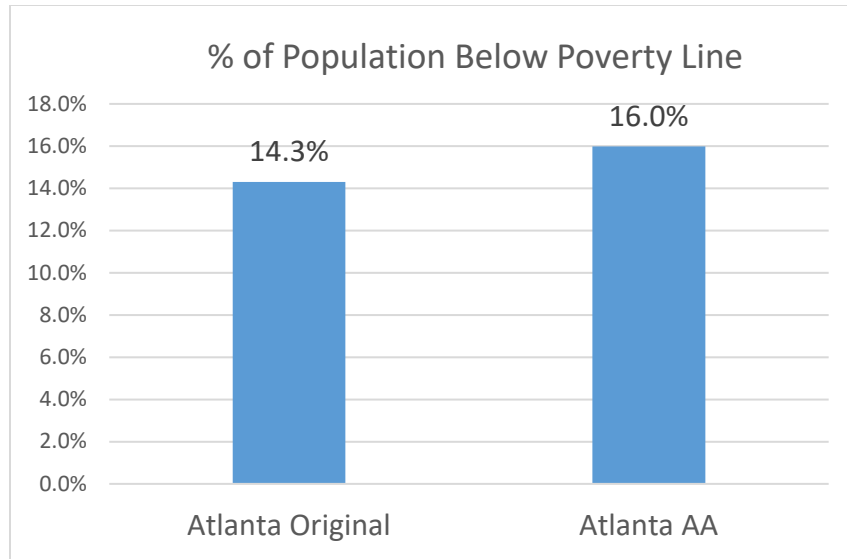
ACB's Plan contains no consumer/housing-related lending goals because of our business model, but we believe that our Grove Park relationship, as well as other partnerships described in this document, will enable us to serve consumers in our community in other, impactful ways.

Appendix 1 - Atlanta Assessment Area – Compared to Original

A demographic comparison of the Atlanta AA to the partial-counties AA used by ACB since its inception through 2018 follows:







Compared to the Atlanta AA definition used through 2018, the Atlanta AA is:

- Larger:
 - 581 census tracts versus 274
 - 3.3 million population versus 1.3 million
- More LMI
 - 38.9% of census tracts are LMI versus 28.1%
 - 34.1% of population in LMI areas versus 24.9%
- Lower Income:
 - Median Family Income \$83,041 versus \$101,199
 - 16% of population below poverty line versus 14.3%

Appendix 2 – Additional Information on Tracking Loans to Small Revenue Companies

ACB, with a focus on SBA lending as noted in this Plan, extends credit to *start-up* businesses. Such businesses have not reported revenue per the loan application process or otherwise.

When small business lending is reported annually to the Federal Reserve for CRA purposes, these loans to start-up companies will be included in a category *Revenue Not Reported*; they are not reported with an annual revenue of zero and are not included in the category of loans made to companies with revenue \leq \$1 million. In reviewing small business loans reported by ACB annually for CRA purposes, these loans to start-ups will not be included in the category of such loans to companies having revenues at or below \$1 million.

When ACB analyzes its small business lending to small revenue companies, we add the loans made to start-up companies (Revenue Not Reported) to loans made to businesses having annual revenue \leq \$1 million to determine our lending to small revenue companies.

When ACB's performance is reviewed by outside parties, using data reported to the Federal Reserve annually, the reviewer should add loans to companies with Revenue Not Reported to loans made to small revenue companies to determine ACB's performance against the goals in this Plan for the percentage of small business loans made to small revenue companies.

Appendix 3 – Other Benchmark Considerations

Atlanta Assessment Area

Another potential benchmark by which ACB can assess its Atlanta small business lending is provided by 2017 Federal Financial Institutions Examination Council (“FFIEC”) *aggregate data*, which indicate the percentage of an area’s small business lending that goes to small businesses (revenue ≤ \$1 million); shown in the following table:

| Small Business Loans - % to Businesses with Revenue ≤\$1 million (2017, FFIEC) | | |
|---|-----------------|---------|
| Area | Number of Loans | Dollars |
| U.S. | 52.3% | 36.5% |
| Cobb, DeKalb, Fulton, and Gwinnett Counties | 55.3% | 36.9% |

At just over 50%, the FFIEC data indicate similar lending patterns to businesses with revenue at or below \$1 million versus TruPoint Benchmarks (not adjusted for lender size or credit card product). Percentages of dollar amounts going to small businesses are lower than for loan numbers and are nearly the same nationwide as for the four Atlanta MSA counties that comprise ACB’s Atlanta AA.

ACB analyses its small business lending performance against these benchmarks and has used them to help generate the targets/goals for its small business lending shown in the Goals section of this document.

CRA performance evaluations (“PEs”) often compare a bank’s small business lending to small businesses to a demographic – the percentage of businesses in an area with revenues ≤ \$1 million. The most common such demographic comes from a Dun & Bradstreet (“D&B”) source to which ACB does not have access. From reading numerous PEs for banks operating in the Atlanta area and in the Southeast, we note that the D&B data indicate small businesses, those with revenue ≤ \$1 million, to be generally in the 75% to 85% range of total businesses.

ACB has recently been introduced to Standard & Poor’s (“S&P”) *Capital IQ Platform*, which can also be used to determine the percentage of businesses operating in an area (from zip code to state level) based on a \$1 million annual revenue boundary.

For the Atlanta MSA and its four counties that are part of ACB’s Atlanta AA, the S&P database indicates:

| Number of Businesses by Revenue – Standard & Poor’s Capital IQ Platform | | | | % ≤\$1 million |
|---|---------------|---------------|----------------|----------------|
| Area | ≤\$1 million | >\$1 million | Total | |
| Cobb County | 16,943 | 15,394 | 32,337 | 52.4% |
| DeKalb County | 16,186 | 13,186 | 29,327 | 55.1% |
| Fulton County | 31,152 | 28,285 | 59,437 | 52.4% |
| Gwinnett County | 17,327 | 16,429 | 33,756 | 51.3% |
| <u>4 County Total</u> | <u>81,608</u> | <u>73,294</u> | <u>154,902</u> | <u>52.7%</u> |
| Atlanta MSA | 121,119 | 108,798 | 229,917 | 52.7% |

Unlike the D&B data, the S&P data indicate that small businesses make up 50% to 55% of all businesses in S&P's database that operates from the noted geographies. These S&P percentages are much closer to the TruPoint and FFIEC benchmarks shown above than they are to the D&B data ranges observed in other banks' PEs.

Athens Assessment Area

FFIEC aggregate data are contained in the following table:

| Small Business Loans - % to Businesses with Revenue ≤\$1 million (2017, FFIEC) | | |
|---|-----------------|---------|
| Area | Number of Loans | Dollars |
| Clarke County | 51.5% | 41.3% |
| U.S. | 52.3% | 36.5% |
| Cobb, DeKalb, Fulton, and Gwinnett Counties | 55.3% | 36.9% |

The lending pattern to businesses in Clarke County with revenue ≤ \$1 million is similar to that observed nationwide and in the counties included in ACB's Atlanta AA.

As noted in the Atlanta AA section above, ACB can use S&P's *Capital IQ Platform* to determine the percentage of businesses operating in Clarke County based on a \$1 million annual revenue mark.

| Number of Businesses by Revenue – Standard & Poor's Capital IQ Platform | | | | |
|---|--------------|--------------|---------|----------------|
| Area | ≤\$1 million | >\$1 million | Total | % ≤\$1 million |
| Clarke County | 4,364 | 3,608 | 7,972 | 54.7% |
| Cobb, DeKalb, Fulton, and Gwinnett Counties | 81,608 | 73,294 | 154,902 | 52.7% |

According to the S&P data, the propensity of small businesses in Clarke County is slightly higher than for the four counties that make up ACB's Atlanta AA.

As in its Atlanta AA, ACB intends to offer residential real estate lending products in the Athens AA only to individuals associated with its business clients. The data in the tables below indicate that the Athens AA is characterized by lower-income, higher poverty, and housing that is less owner-occupied and more vacant than for the Atlanta AA.

| Income | | |
|---------------|--------------------|-----------------|
| Area | Est. Median Family | % of Atlanta AA |
| Clarke County | \$58,900 | 70.9% |
| Atlanta AA | \$83,041 | - |

| Area | Population, % Below Poverty |
|---------------|-----------------------------|
| Clarke County | 39.7% |
| Atlanta AA | 16.0% |

| Housing | | | | |
|---------------|-------------|--------|--------|----------|
| Area | Occupancy % | | | Age |
| | Owner | Renter | Vacant | |
| Clarke County | 34.1% | 50.1% | 15.9% | 34 years |
| Atlanta AA | 52.1% | 36.8% | 11.1% | 32 Years |

Appendix 4 – Notice of Public Inspection of the CRA Strategic Plan

Notice was published on July 3rd, 2020 in the Athens Banner Herald as follows:

Atlantic Capital Bank announces the availability of its proposed strategic plan to meet the requirements of the Community Reinvestments Act (“Plan”). Public comment on the Plan is requested. Comments received on or before August 2nd, 2020 will be considered prior to submission of the Plan to the Office of the Comptroller of the Currency. Requests for copies of the Plan or comments regarding the Plan should be directed to:

Atlantic Capital Bank
945 East Paces Ferry Road
Suite 1600
Atlanta, Georgia 30326
Attention – Jim Pihera

Notice was published on July 10th, 2020 in the Atlanta Journal-Constitution as follows:

Atlantic Capital Bank announces the availability of its proposed strategic plan to meet the requirements of the Community Reinvestments Act (“Plan”). Public comment on the Plan is requested. Comments received on or before August 9th, 2020 will be considered prior to submission of the Plan to the Office of the Comptroller of the Currency. Requests for copies of the Plan or comments regarding the Plan should be directed to:

Atlantic Capital Bank
945 East Paces Ferry Road
Suite 1600
Atlanta, Georgia 30326
Attention – Jim Pihera

The Plan was also made available via Atlantic Capital Bank’s public website (www.atlanticcapitalbank.com) on July 1, 2020 through August 2nd, 2020 as follows:

The screenshot shows the Atlantic Capital Bank website. The main content area features a large image of a man and a woman smiling outdoors. Overlaid on the image is the text: "CLIENT STORY. ATLANTIC CAPITAL AND THE INN AT SERENBE: PARTNERS IN INNOVATION". Below this text is a "READ MORE" button.

The footer contains several sections:

- Navigation Links:** Careers, Investor Relations, Website Terms of Use, Privacy Policies, Security, FAQ's, Employee Login, Disclosures and Agreements, Home Mortgage Disclosure, Act Notice, and **2020 CRA Strategic Plan** (highlighted in yellow).
- Newsletter Sign-up:** A form with fields for "First name", "Last name", and "Email address", and a "SIGN UP" button. The text above the form reads: "Sign up for our newsletter to receive financial insights from our team."
- Social Media:** Icons for Facebook, Twitter, and LinkedIn.
- Member FDIC:** Logo for Member FDIC.
- Copyright:** © 2007-2020 Atlantic Capital Bank