



Community Benefits Plan Addendum

Overview

First Citizens Bank (“FCB”) implemented its current \$16B Community Benefits Plan (the “FCB Plan”) in 2021 to demonstrate its commitment to the communities it serves.

FCB has since acquired Silicon Valley Bank (“SVB”) through an FDIC-assisted process following SVB’s failure. FCB has also agreed to add an addendum—the “Plan Addendum”—to the FCB Plan to demonstrate further its commitment to serve the community.

The Plan Addendum will invest at least an additional **\$6.5 Billion**, as described below. Of this amount, **\$5.2 Billion**, or **80%**, will benefit California and the remaining **20%**, Massachusetts.

The Plan Addendum will begin on July 1, 2023, and mature at the end of 2026. It is specific to SVB and does not alter the FCB Plan.

Proposal

To achieve this **\$6.5 Billion** target in the Plan Addendum, FCB will aim for the following aspirational targets:

- **\$ 2.25 Billion** in small business lending.
- **\$ 3.6 Billion** in CRA community development (“CD”) lending and investing.
- **\$ 650 Million** in residential mortgages to low- and moderate-income (“LMI”) borrowers and in LMI census tracts as reported on the Bank’s annual Home Mortgage Disclosure Act (“HMDA”) loan application registers; and
- **\$35 Million** in CRA grants/contributions, of which \$10 Million will be dedicated to an affordable home mortgage subsidy program, and \$5 Million to grants for small businesses with Gross Annual Revenues of \$1MM or less.

These targets are described in more detail below.

With respect to the Plan Addendum, at least one quarter of its cumulative California CRA activity to be in FCB’s Southern California assessment area of greater Los Angeles. The Bank will evaluate this allocation annually beginning in January 2024, and future allocations may be revised, as needed, to reflect the relative presence and penetration of the Bank in regional markets that are part of a broader state-wide or regional area (“BSRA”) that includes the Bank’s assessment areas.

Small Business Lending: FCB plans to implement the following guidelines for the **\$2.25 Billion** Plan Addendum small business lending:

- Loans will be in the amount of \$1 Million or less.
- 50% of small business loans will be in the amount of \$250,000 or less.
- 50% of its small business lending will be to businesses: (a) with gross annual revenue (“**GAR**”) less than or equal to \$1 million; (b) located in a LMI census tract; or (c) located in a majority-minority census tract.
- Grow the number of small business loans over the SVB Addendum period.
- Focus support for Community Development Financial Institutions (“**CDFIs**”) on those that are minority- or women-led institutions, and in partnership with one or more of its CDFI partners, support the development of a line of credit product targeted for smaller businesses, including those that are minority- or women-led.
- Increase access to credit for businesses with $GAR \leq \$1$ Million and increase lending to diverse businesses in our California communities by:
 - Supporting small business technical assistance provided by nonprofit providers and committing \$500,000 annually for technical assistance and \$150,000 annually for loan loss reserve funding, with emphasis on micro lenders doing loans in amounts less than or equal to \$50,000.
 - Establish a process to refer small business loan denials to local Technical Assistance providers, CDFI’s and other community development lenders in our assessment areas.
 - Develop a program to finance start-up and emerging companies owned by and operating in or near LMI communities and communities of color.

Community Development: To reach its goal of **\$3.6 Billion** in Plan Addendum CD lending and investments, FCB plans to:

- Allocate least 50% of its CD lending and investment to expanding affordable housing alternatives for LMI persons and households, which will include, wherever reasonably possible, affordable rental housing for persons experiencing homelessness and for very-low and extremely low-income households.
- Target \$20 million in investments to developers of color or to CDFIs and similar entities to build the capacity of nonprofit affordable housing developers of color. These investments will finance housing projects that may be targeted to LMI neighborhoods, LMI residents, and residents of color wherever those opportunities reasonably become available.
- Allocate \$3 million for investments in CDFIs and other non-profit community development funds particularly minority- or women-led institutions or funds with assets less than \$10 Million, such as through EQ2 financing or an intermediary CDFI.

- Assist Community Land Trusts (“CLT”), CDFIs that are active with CLTs, and similar entities to purchase or rehab properties in California.
- Invest \$3 million in CRA-qualified small business investment companies (“SBICs”) targeted for LMI areas, majority-minority areas, and to minority- led enterprises.
- Prioritize infill and small site development opportunities.
- Help non-profit organizations and small business owners serving LMI communities to purchase and refinance their buildings.
- Finance green community development initiatives including, where reasonably possible, initiatives led by women or minorities or located in majority-minority communities.
- \$11 million for housing preservation (SB 1079 related funding) for housing CDFIs and other nonprofits.

Mortgages, Housing, and Home Preservation: To reach its goal of **\$650 Million** in Plan Addendum mortgage lending, FCB plans to:

- Increase mortgage originations for each of the following borrower categories over the Plan period:
 - Mortgage lending to LMI borrowers;
 - Mortgage lending to African American borrowers;
 - Mortgage lending to Latino borrowers;
 - Mortgage lending to Asian American Pacific Islander (“AAPI”) borrowers;
 - Increase lending to AAPI disaggregated groups.
 - Mortgage lending in LMI census tracts; and
 - Mortgage lending in majority-minority census tracts.
- Provide grant support for homelessness prevention and support services, including mental health services, with priority to organizations led by African Americans to address the disproportionate impact homelessness has on African Americans.
- Commit \$10 million to establish an affordable home mortgage program to provide discounts or subsidies on home purchase, home improvement, and home refinancing loans to borrowers in FCB’s California and Massachusetts footprint. Discounts and subsidies under the Affordable Home Mortgage Program could be in the form of closing costs assistance, down-payment assistance, interest rate reduction, or mortgage insurance premium reduction. Such subsidies and discounts will be capped at thirty thousand dollars (\$30,000) per loan and will be limited to loans that are for the borrower’s primary residence and are of a dollar amount that is within the Government-Sponsored Enterprise conforming loan limit at the time for the census tract applicable to the relevant loan.
- The Bank will explore ways to best target a program to Black, Indigenous and People of Color (“BIPOC”) borrowers as part of a special purpose credit program, in further discussion with RISE Economy, consistent with regulatory guidelines and approval.

Charitable Contributions – For the **\$35 Million** in Plan Addendum charitable contributions, FCB plans to:

- Begin tracking CRA eligible philanthropic support to organizations led by persons who identify themselves as a member of a minority group. The Bank will also:
 - Commit to increasing the amount of support for these organizations over the term of the SVB Addendum;
 - Support capacity-building efforts for non-profit organizations led by or serving people of color, women, and other minorities; and
 - Increase general operating support, with a priority on increasing this support for organizations led by or serving people of color.
- Continue existing Boston Private grant partnerships through the term of the SVB Addendum and establish new relationships with organizations that do not have current connections to Boston Private Bank or the former SVB.
- Commit at least 50% of these donations for housing, economic development, financial capability, fair housing, small business support, and legal and other services for LMI people.

Supplier Diversity: By 2026, FCB strives to have at least 8% of its corporate supplier spending annually to locally based businesses owned or led by members of historically underserved communities, such as minorities and women.

Meetings: The Bank agrees to continue to meet with Rise Economy members annually and to provide data that tracks to the Bank's performance implementing the Addendum commitments.

First Citizens Bank’s Community Investment Proposal (Plan Addendum) Response
to
Massachusetts Affordable Housing Alliance (MAHA)
and
Massachusetts Association of Community Development Corporations
(MACDC)

To achieve this **\$1.3 Billion** target in the Plan Addendum for MAHA and MACDC, FCB will aim for the following aspirational targets:

\$ 450 Million in small business lending.

\$ 720 Million in CRA community development (“CD”) lending and investing.

\$ 130 Million in residential mortgages to low- and moderate-income (“LMI”) borrowers and in LMI census tracts as reported on the Bank’s annual Home Mortgage Disclosure Act (“HMDA”) loan application registers; and

- **\$7 Million** in CRA grants/contributions, of which \$2 Million will be dedicated to an affordable home mortgage subsidy program.

Affordable Mortgage Lending

First Citizens Bank will aim for a 3 1/2 year target of 120 first time home buyer mortgages for the period beginning July 1, 2023, through December 31, 2026. First Citizens will utilize a comprehensive approach of which will include the ONE and ONE+Boston Mortgage program to achieve this goal. All mortgages made to first time homebuyers and low- and moderate-income home buyers will count toward this goal. Achievement of this goal is predicated upon market conditions not deteriorating beyond 2023 levels and sufficient affordable housing supply is available of LMI borrowers. First Citizens Bank will continue to partner with local Massachusetts groups to help achieve this objective.

Affordable Housing Lending/Investments

First Citizens generally tailors the structure of community development loans and some investments along with existing specialized and competitive loan products to assist in meeting client needs and/or project requirements. First Citizens expects to continue this practice as well as pair competitive terms and pricing in the market.

Small Business

First Citizens Bank is committed to increasing small business lending activities to include SBA Lending activity in lending in low- and moderate-income census tracts.

First Citizens Bank is also committed to developing a program to finance start-up and emerging companies owned by and operating in or near LMI communities and communities of color with a primary focus on promoting and investing in those in technology, life sciences and other related sectors. First Citizens Bank will continue to invest in and partner with Community Development Financial Institutions (“CDFIs”) and others to expand access to capital for businesses

of color and lower income entrepreneurs.

Equity Investments

First Citizens is an active investor in low-income housing tax credit programs and plans to continue such investment activities in Massachusetts.

First Citizens Bank is fully committed to complying with LIHTC program requirements and will monitor to ensure activities do not interfere with the first right of refusal/right of first option by a non-profit owner.

Credit Building and Financial Empowerment

First Citizens Bank believes that banks play a vital role in helping LMI people build credit and enhance their financial security. The Bank plans to continue to support financial literacy programs and fund community-based organizations who connect LMI people with retail consumer financial institutions that offer access to a wider range of products and services for LMI people.

Charitable Contributions

First Citizens Bank plans to provide up to \$7 million in charitable giving in Massachusetts beginning in year 2023. We note that \$2 million in first-time home buyer assistance of up to \$30,000 per borrower will count toward this goal.

Human Resources and Procurement

First Citizens Bank has an existing supplier diversity program. By 2026, the Bank will work to achieve at least 8% of its corporate supplier spending annually to businesses owned or led by members of historically underserved communities.

Community Leadership

First Citizens Bank plans to continue community leadership and expects that members of the team will remain engaged with community and civic organizations.

Community Advisory Council

First Citizens Bank has an existing National Community Advisory Panel (NCAP). The NCAP currently meets four times per year. The Bank along with NCRC will consider expanding the NCAP to include a panel member to represent Massachusetts.

All investments and initiatives referenced in this Plan Addendum response to the Massachusetts organizations must meet and are subject to bank policy requirements, underwriting standards, and applicable law.