

PUBLIC DISCLOSURE

May 5, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Fidelity Bank
RSSD #848248**

**330 West Broadway
West Memphis, Arkansas 72301**

Federal Reserve Bank of St. Louis

**P.O. Box 442
St. Louis, Missouri 63166-0442**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION’S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated:

Satisfactory

The Community Development Test is rated:

Outstanding

Fidelity Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank’s lending and community development activities. The factors supporting the institution’s rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the institution’s size, financial condition, and credit needs of the assessment areas (AAs).
- A majority of loans and other lending-related activities are in the AAs.
- The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different revenue sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AAs.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank’s overall community development performance demonstrates excellent responsiveness to the community development needs of its AAs, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AAs. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank’s CRA performance was reviewed using the Federal Financial Institutions Examination Council’s (FFIEC) Intermediate Small Bank Procedures. The Intermediate Small Bank Examination Procedures entail two performance tests: the Lending Test and the Community Development Test. Bank performance under these tests is rated at the institution level.

The bank maintains operations in two delineated AAs within the state of Arkansas. The primary AA is located within the Memphis, Tennessee-Mississippi-Arkansas metropolitan statistical area (Memphis MSA) and is composed solely of Crittenden County. The second AA is located within a nonMSA portion of eastern Arkansas and is composed of Cross County in its entirety.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each AA completed as part of this evaluation. Deposit information in the

following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2024.

| Assessment Area | Offices | | Deposits | | Review Procedures |
|--------------------------|----------|--------------|----------------|--------------|-----------------------|
| | # | % | \$ (000s) | % | |
| Crittenden County | 4 | 80.0 | 503,273 | 98.6 | Full Scope |
| Cross County | 1 | 20.0 | 7,215 | 1.4 | Limited Scope |
| TOTAL¹ | 5 | 100.0 | 510,488 | 100.0 | 1 – Full Scope |

In light of branch structure, loan and deposit activity, and the bank’s CRA evaluation history, CRA performance in the Crittenden County AA was given primary consideration, as it contains the majority of the bank’s loan and deposit activity.

Furthermore, Home Mortgage Disclosure Act (HMDA) and small business loans were used to evaluate the bank’s lending performance, as these loan categories are considered the bank’s core business lines based on lending volume and the bank’s stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank’s overall lending performance. However, as the bank has a greater lending volume for its HMDA loans, performance based on this loan category carried the most significance toward the bank’s overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

| Performance Criterion | Time Period |
|---|-------------------------------------|
| LTD Ratio | September 30, 2021 – March 31, 2025 |
| Assessment Area Concentration | January 1, 2023 – December 31, 2023 |
| Loan Distribution by Borrower’s Profile | |
| Geographic Distribution of Loans | |
| Response to Written CRA Complaints | August 23, 2021 – May 4, 2025 |
| Community Development Activities | |

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey (ACS) data, and certain business demographics are based on 2023 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank’s lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$429.3 million to \$567.1 million as of March 31, 2025.

¹ Note: In this table and others throughout this document, percentages may not total 100% due to rounding.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, one community contact interview was conducted with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's AAs. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section applicable to the AA in which it was conducted.

DESCRIPTION OF INSTITUTION

Fidelity Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Carlson Bancshares, Inc., a one-bank holding company. The bank and its holding company are both headquartered in West Memphis, Arkansas, and are certified community development financial institutions (CDFIs). The CDFI certification is awarded by the U.S. Department of the Treasury's CDFI Fund to financial institutions that specialize in serving low-income communities and individuals. The CDFI Fund's mission is to empower low-income and underserved people and communities to enter the financial mainstream.

The bank's branch network consists of five branches (including the main office), all of which are full-service with drive-up accessibility. In addition to these branches, the bank also operates a loan production office (LPO) in Greene County, Arkansas. Each of the Crittenden County branches maintains a cash-dispensing-only ATM on-site. The Cross County branch maintains three on-site deposit-accepting ITMs, while the bank's LPO includes one cash-dispensing-only ITM. During the review period, the bank opened the aforementioned LPO in Greene County and relocated and converted an existing LPO to a full-service branch in Cross County. Based on this branch network and other service delivery systems, such as extended banking hours of operation and full-service online banking capabilities, the bank is well positioned to deliver financial services to most of its AAs.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its AAs based on its available resources and financial products. As of March 31, 2025, the bank reported total assets of \$546.5 million. As of the same date, loans and leases outstanding were \$265.7 million (48.6 percent of total assets), and deposits totaled \$510.0 million. The bank's loan portfolio composition by credit category is displayed in the following table.

| Distribution of Total Loans as of March 31, 2025 | | |
|---|-------------------------|----------------------------------|
| Credit Category | Amount \$ (000s) | Percentage of Total Loans |
| Commercial Real Estate | 127,469 | 48.0 |
| 1–4 Family Residential | 35,104 | 13.2 |
| Farm Loans | 27,200 | 10.2 |
| Construction and Development | 24,391 | 9.2 |
| Farmland | 21,898 | 8.2 |
| Commercial and Industrial | 20,621 | 7.8 |
| Multifamily Residential | 5,620 | 2.1 |
| Loans to Individuals | 3,413 | 1.3 |
| Total Other Loans | 12 | 0.0 |
| TOTAL | 265,728 | 100 |

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial real estate loans and loans secured by 1–4 family residential properties.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on August 23, 2021.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Fidelity Bank meets the standards for a satisfactory Lending Test rating under the intermediate small bank procedures, which evaluate bank performance under the following five criteria, as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 15-quarter average, dating back to the bank's last CRA evaluation.

| LTD Ratio Analysis | | | |
|--------------------|------------------------|---|-----------------------|
| Name | Headquarters | Asset Size \$ (000s) as of March 31, 2025 | Average LTD Ratio (%) |
| Fidelity Bank | West Memphis, Arkansas | 546,524 | 49.8 |
| Regional Banks | Forrest City, Arkansas | 567,061 | 58.7 |
| | Helena, Arkansas | 429,333 | 99.6 |
| | Wynne, Arkansas | 553,354 | 93.9 |

Based on data from the previous table, the bank's level of lending is lower than that of other banks in the region. During the review period, the bank's quarterly LTD ratio experienced varying trends, with a high and low of 55.0 and 44.8 percent, respectively. However, roughly 32.5 percent of the bank's deposits, as of March 31, 2025, were public funds deposited by state and political subdivisions, which the bank is not permitted to lend against. After adjusting for these deposits, the bank's LTD ratio, as of March 31, 2025, is 76.1 percent, which is more comparable to the other banks in the region, reflecting reasonable performance given the bank's size, financial condition, and credit needs of its AAs.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's AAs.

| Lending Inside and Outside the Assessment Areas January 1, 2023 through December 31, 2023 | | | | | | | | |
|--|--------|------|-----------|------|---------|------|-----------|------|
| Loan Type | Inside | | | | Outside | | | |
| | # | # % | \$ (000s) | \$ % | # | # % | \$ (000s) | \$ % |
| HMDA | 51 | 83.6 | 6,205 | 42.3 | 10 | 16.4 | 8,479 | 57.7 |
| Small Business | 36 | 63.2 | 3,756 | 64.9 | 21 | 36.8 | 2,034 | 35.1 |
| TOTAL LOANS | 87 | 73.7 | 9,961 | 48.7 | 31 | 26.3 | 10,513 | 51.3 |

A majority of loans and other lending-related activities were made in the bank's AAs. As shown above, 73.7 percent of the total loans were made inside the AAs, accounting for 48.7 percent of the dollar volume of total loans. Two multifamily housing loans made outside of the bank's AAs contributed to a majority of loans by dollar volume being outside the bank's AAs.

Borrower and Geographic Distribution

Overall, performance by borrower's income/revenue profile is reasonable, based on the analyses of lending in the full-scope AA, as displayed in the following table.

| Full-Scope Assessment Area | Loan Distribution by Borrower's Profile |
|-----------------------------------|--|
| Crittenden County | Reasonable |

| Limited-Scope Assessment Area | Loan Distribution by Borrower's Profile |
|--------------------------------------|--|
| Cross County | Consistent |

As displayed in the following table, the bank's overall distribution of lending by income level of census tract reflects reasonable penetration based on the analyses of lending in the full-scope AA.

| Full-Scope Assessment Area | Geographic Distribution of Loans |
|-----------------------------------|---|
| Crittenden County | Reasonable |

| Limited-Scope Assessment Area | Geographic Distribution of Loans |
|--------------------------------------|---|
| Cross County | Consistent |

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (August 23, 2021 through May 4, 2025).

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated outstanding. Considering the bank's capacity and the need and availability of such opportunities for community development in the full-scope AA, the bank demonstrates excellent responsiveness to the community development needs of its full-scope AA.

| Full-Scope Assessment Area | Community Development Test Performance Conclusions |
|-----------------------------------|---|
| Crittenden County | Outstanding |

| Limited-Scope Assessment Area | Community Development Test Performance Conclusions |
|--------------------------------------|---|
| Cross County | Below |

While performance varied between the full-scope AA and limited-scope AA, the overall Community Development Test rating was based on performance in the bank's primary AA, Crittenden County.

| Total Community Development Activities Inside Assessment Areas August 23, 2021 – May 4, 2025 | | | |
|---|-------------|-----------|------------------|
| Community Development Component | # | | \$ |
| Loans | 20 | | 33.1 million |
| Investments, Current and Prior | 13 | | 6.3 million |
| Current Period | 1 | | 420,000 |
| Prior Period, Still Outstanding | 12 | | 5.9 million |
| Donations | 31 | | 52,590 |
| Services | 18 services | 475 hours | 14 organizations |

During the review period, the bank made 20 qualifying loans in its AAs totaling approximately \$33.1 million. Of those loans, 16 were for economic development, and 4 were related to community services.

The bank also made community development investments and donations in its AAs totaling \$6.4 million. This amount included 1 new qualified investment totaling \$420,000, 12 continuing investments made in a prior review period totaling \$5.9 million, and 31 donations totaling \$52,590. All of the investments were municipal bonds issued by qualifying school districts for community services.

During the review period, bank personnel used financial expertise to log 18 service activities to 14 different community development organizations within the bank's AAs, constituting 475 hours of community services. Service activities included delivering financial education in schools that primarily serve LMI families, providing financial expertise to community service organizations as board members, and assisting in fundraising efforts for local scholarships.

In addition to meeting the community development needs of its own AAs, the bank made 109 qualified investments totaling approximately \$44.5 million in the broader statewide region that includes the bank's AAs. These qualified investments were municipal bonds purchased in qualifying school districts.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

MEMPHIS, TENNESSEE-MISSISSIPPI-ARKANSAS METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CRITTENDEN COUNTY ASSESSMENT AREA

Bank Structure

The bank operates four of its five offices (80.0 percent) in this AA. Of the four offices, one is located in a low-income census tract, one is located in a moderate-income census tract, and two are located in a middle-income census tract. Since the last evaluation, the bank did not open or close any branches in this AA. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of its AA.

General Demographics

The AA comprises Crittenden County in its entirety, which is one of five counties that make up the Memphis MSA. This is the bank's primary AA and is located adjacent to the Mississippi River in eastern Arkansas. Based on 2020 ACS data, the AA population was 48,163.

According to the FDIC Deposit Market Share Report data, as of June 30, 2024, there were eight FDIC-insured depository institutions in the AA operating 15 branches. Fidelity Bank ranked second in deposit market share, encompassing 25.2 percent of total deposit dollars.

Credit needs in the AA include a mix of residential real estate and business loan products. Other particular credit needs in the AA, as noted primarily from the community contact, include affordable housing options and down payment assistance programs for LMI families. Additional needs include restoration of aging homes in the AA.

Income and Wealth Demographics

The following table summarizes the distribution of AA census tracts by income level and the family population within those tracts.

| Assessment Area Demographics by Geography Income Level | | | | | | |
|--|-------|-----------|---------|--------|----------|--------|
| Dataset | Low- | Moderate- | Middle- | Upper- | Unknown- | TOTAL |
| Census Tracts | 5 | 8 | 4 | 3 | 0 | 20 |
| | 25.0% | 40.0% | 20.0% | 15.0% | 0.0% | 100.0% |
| Family Population | 2,596 | 4,454 | 2,449 | 2,456 | 0 | 11,995 |
| | 21.7% | 37.3% | 20.5% | 20.5% | 0.0% | 100.0% |

As shown in the preceding table, 65.0 percent of the census tracts in the AA are LMI geographies, but only 59.0 percent of the family population resides in these tracts. Low-income areas are concentrated around West Memphis. Moderate-income areas are predominately located in the southern and western parts of the AA.

Based on 2020 ACS data, the median family income for the AA was \$52,606. At the same time, median family incomes for Arkansas and the Memphis MSA were \$62,067 and \$68,008, respectively. More recently, the FFIEC estimates the 2023 median family income for Arkansas and the Memphis MSA to be \$63,400 and \$79,200, respectively. The following table displays population percentages of AA families by income level compared to Arkansas and Memphis MSA family populations.

| Family Population by Income Level | | | | | |
|-----------------------------------|---------|-----------|---------|---------|---------|
| Dataset | Low- | Moderate- | Middle- | Upper- | TOTAL |
| Assessment Area | 3,830 | 2,144 | 1,980 | 4,001 | 11,955 |
| | 32.0% | 17.9% | 16.6% | 33.5% | 100.0% |
| Memphis MSA | 77,459 | 52,873 | 59,386 | 137,452 | 327,170 |
| | 23.7% | 16.2% | 18.2% | 42.0% | 100.0% |
| Arkansas | 165,087 | 136,380 | 155,142 | 313,502 | 770,111 |
| | 21.4% | 17.7% | 20.2% | 40.7% | 100.0% |

As shown in the table above, 49.9 percent of families within the AA were considered LMI, which is greater than LMI family percentages for both the state of Arkansas and the Memphis MSA, which were 39.1 percent and 39.9 percent, respectively. In addition, the percentage of families living below the poverty threshold in the AA (17.0 percent) is above the level in the Memphis MSA (13.1 percent) and the state of Arkansas (11.8 percent). Considering these factors, the AA appears less affluent than the Memphis MSA and Arkansas as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the AA appears to be more affordable than the Memphis MSA but less affordable than the state of Arkansas as a whole.

| Housing Cost Burden (%) | | | | | | |
|--|------------------------------|------------------------|--------------------|-----------------------------|------------------------|-------------------|
| Area | Cost Burden – Renters | | | Cost Burden – Owners | | |
| | Low-Income | Moderate-Income | All Renters | Low-Income | Moderate-Income | All Owners |
| Assessment Area | 78.8 | 22.8 | 45.3 | 49.4 | 28.9 | 16.8 |
| Memphis MSA | 79.6 | 51.3 | 46.4 | 64.3 | 33.7 | 19.2 |
| Arkansas | 69.8 | 35.3 | 37.3 | 53.0 | 25.2 | 15.3 |
| <i>Cost burden is housing cost that equals 30 percent or more of household income.</i> | | | | | | |

According to the table above, the cost burden for all renters in the AA is less than the Memphis MSA and greater than the state of Arkansas. Similarly, the cost burden of all owners in the AA is less than the Memphis MSA and greater than the state of Arkansas. In addition, the cost burden for LMI renters and owners is less in the AA than in the Memphis MSA. This is further supported by the AA having a median rental rate (\$734/month) and median housing value (\$122,700) that are less than the median rental rate (\$944/month) and median housing value (\$161,311) in the Memphis MSA.

Industry and Employment Demographics

The AA supports a large and diverse business community, including a strong small business sector, as evidenced by the Dun & Bradstreet data indicating that 92.4 percent of AA businesses have gross annual revenues of \$1 million or less. Furthermore, according to the U.S. Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages data, there are 13,632 employees in the AA (including 2,569 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the AA are manufacturing (16.7 percent), followed by accommodation and food services (15.0 percent) and healthcare and social assistance (13.9 percent). The table below details BLS unemployment data (not seasonally adjusted) for the AA, the Memphis MSA, and the state of Arkansas.

| Unemployment Levels (%) | | | | |
|--------------------------------|-------------------------------------|-------------|-------------|--------------------------|
| Dataset | Time Period (Annual Average) | | | |
| | 2021 | 2022 | 2023 | 2024 (Jan.– Nov.) |
| Assessment Area | 5.5 | 3.9 | 4.2 | 4.4 |
| Memphis MSA | 6.3 | 4.2 | 4.0 | 4.1 |
| Arkansas | 4.0 | 3.2 | 3.3 | 3.4 |

As shown above, the unemployment levels for the AA declined to a low in 2022 and then slowly began rising. The low unemployment rate in 2022 can be partially explained by an improvement in employment following the end of the COVID-19 pandemic. The unemployment rates in the AA during the review period have been consistently higher than the state of Arkansas, and while unemployment rates in the AA were lower than the Memphis MSA during the beginning of the review period, they are now higher.

Community Contact Information

Information from one community contact was used to help shape the performance context in which the bank's activities in this AA were evaluated. The community contact interview was with an individual specializing in small business development. The contact categorized the overall economic conditions in the area as challenging due to high poverty rates and increased cost of living. However, the contact stated that Crittenden County is better than other parts of the Arkansas Delta economically due to its geographic proximity to Memphis, with many individuals commuting across the Mississippi River for better opportunities.

The community contact cited the need for affordable housing in the area. According to the contact, in recent years new construction was built in West Memphis; however, most of this construction was built in middle- and upper-income areas and is unaffordable to LMI families. Further, the contact indicated that the current stock of affordable housing is dated and likely needs repairs that some families would seek to avoid. In addition to the lack of affordable housing, the contact cited that poor credit characteristics of borrowers and the inability to afford mortgage down payments as other barriers preventing homeownership in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CRITTENDEN COUNTY ASSESSMENT AREA

LENDING TEST

The bank's overall distribution of loans by borrower's income/revenue profile reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. Furthermore, the overall geographic distribution of loans reflects reasonable penetration throughout Crittenden County.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from both loan categories reviewed. The bank's performance in making HMDA loans to LMI borrowers is poor, while lending to small businesses in the assessment area is excellent.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC (\$79,200 for the Memphis MSA as of 2023). The following table shows the distribution of HMDA-reported loans by borrower income level in comparison to family population income demographics for the AA. Additionally, 2023 aggregate data for the AA is displayed.

| Borrower Distribution of HMDA Loans Assessment Area: Crittenden County | | | | | | | | |
|---|------------------------------|-------|-------|-------------------|-----------|-------|-------------------|----------|
| Product Type | Borrower Income Levels | 2023 | | | | | | |
| | | Count | | | Dollars | | | Families |
| | | Bank | | HMDA Aggregate | Bank | | HMDA Aggregate | |
| | | # | % | % | \$ (000s) | \$ % | \$ % | |
| Home Purchase | Low | 0 | 0.0 | 6.4 | 0 | 0.0 | 3.2 | 32.0 |
| | Moderate | 2 | 9.5 | 22.4 | 142 | 5.7 | 17.7 | 17.9 |
| | Middle | 3 | 14.3 | 20.1 | 355 | 14.3 | 20.9 | 16.6 |
| | Upper | 8 | 38.1 | 19.5 | 1,453 | 58.6 | 25.9 | 33.5 |
| | Unknown | 8 | 38.1 | 31.6 | 531 | 21.4 | 32.2 | 0.0 |
| | TOTAL | 21 | 100.0 | 100.0 | 2,481 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 0 | 0.0 | 8.1 | 0 | 0.0 | 3.9 | 32.0 |
| | Moderate | 1 | 14.3 | 22.6 | 150 | 12.1 | 15.1 | 17.9 |
| | Middle | 0 | 0.0 | 21.8 | 0 | 0.0 | 22.2 | 16.6 |
| | Upper | 6 | 85.7 | 25.8 | 1,087 | 87.9 | 30.3 | 33.5 |
| | Unknown | 0 | 0.0 | 21.8 | 0 | 0.0 | 28.4 | 0.0 |
| | TOTAL | 7 | 100.0 | 100.0 | 1,237 | 100.0 | 100.0 | 100.0 |

**Fidelity Bank
West Memphis, Arkansas**

**CRA Performance Evaluation
May 5, 2025**

| | | | | | | | | |
|--|--------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|
| Home Improvement | Low | 0 | 0.0 | 5.3 | 0 | 0.0 | 2.9 | 32.0 |
| | Moderate | 2 | 18.2 | 7.9 | 232 | 28.6 | 12.5 | 17.9 |
| | Middle | 2 | 18.2 | 26.3 | 118 | 14.5 | 15.7 | 16.6 |
| | Upper | 5 | 45.5 | 52.6 | 296 | 36.5 | 61.0 | 33.5 |
| | Unknown | 2 | 18.2 | 7.9 | 165 | 20.3 | 8.0 | 0.0 |
| | TOTAL | 11 | 100.0 | 100.0 | 811 | 100.0 | 100.0 | 100.0 |
| Multifamily | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | N/A |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | N/A |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | N/A |
| | Upper | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | N/A |
| | Unknown | 1 | 100.0 | 100.0 | 632 | 100.0 | 100.0 | N/A |
| | TOTAL | 1 | 100.0 | 100.0 | 632 | 100.0 | 100.0 | N/A |
| Other Purpose Closed/Exempt | Low | 1 | 14.3 | 4.8 | 31 | 11.2 | 1.5 | 32.0 |
| | Moderate | 3 | 42.9 | 19.0 | 108 | 39.1 | 6.5 | 17.9 |
| | Middle | 0 | 0.0 | 28.6 | 0 | 0.0 | 34.8 | 16.6 |
| | Upper | 3 | 42.9 | 42.9 | 137 | 49.6 | 53.0 | 33.5 |
| | Unknown | 0 | 0.0 | 4.8 | 0 | 0.0 | 4.3 | 0.0 |
| | TOTAL | 7 | 100.0 | 100.0 | 276 | 100.0 | 100.0 | 100.0 |
| HMDA TOTALS | Low | 1 | 2.1 | 6.6 | 31 | 0.6 | 3.1 | 32.0 |
| | Moderate | 8 | 17.0 | 21.3 | 632 | 11.6 | 16.4 | 17.9 |
| | Middle | 5 | 10.6 | 20.3 | 473 | 8.7 | 20.2 | 16.6 |
| | Upper | 22 | 46.8 | 22.4 | 2,973 | 54.7 | 26.3 | 33.5 |
| | Unknown | 11 | 23.4 | 29.4 | 1,328 | 24.4 | 34.0 | 0.0 |
| | TOTAL | 47 | 100.0 | 100.0 | 5,437 | 100.0 | 100.0 | 100.0 |

As the preceding table indicates, the bank's lending to low-income borrowers (2.1 percent) is substantially below the low-income family population figure (32.0 percent) and below the aggregate lending level to low-income borrowers (6.6 percent), reflecting poor performance. The bank's lending to moderate-income borrowers (17.0 percent) is approaching the aggregate lending level to such borrowers (21.3 percent) and the moderate-income family population (17.9 percent) residing in the AA, reflecting reasonable performance. Nevertheless, on a combined basis, the bank's overall distribution of loans by borrower's profile is deemed poor.

Small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2023 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

| Small Business Loans by Revenue and Loan Size Assessment Area: Crittenden County | | | | | | | | |
|---|--------------------------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Business Revenue and Loan Size | | 2023 | | | | | | |
| | | Count | | | Dollars | | | Total |
| | | Bank | | Aggregate | Bank | | Aggregate | Businesses |
| | | # | % | % | \$ (000s) | \$ % | \$ % | % |
| Business Revenue | \$1 Million or Less | 27 | 96.4 | 45.9 | 3,099 | 89.9 | 35.4 | 92.4 |
| | Over \$1 Million/ Unknown | 1 | 3.6 | 54.1 | 350 | 10.1 | 64.6 | 7.6 |
| | TOTAL | 28 | 100.0 | 100.0 | 3,449 | 100.0 | 100.0 | 100.0 |
| Loan Size | \$100,000 or Less | 21 | 75.0 | 91.8 | 761 | 22.1 | 30.7 | |
| | \$100,001–\$250,000 | 1 | 3.6 | 4.6 | 160 | 4.6 | 20.4 | |
| | \$250,001–\$1 Million | 6 | 21.4 | 3.7 | 2,528 | 73.3 | 48.8 | |
| | Over \$1 Million | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | |
| | TOTAL | 28 | 100.0 | 100.0 | 3,449 | 100.0 | 100.0 | |
| Loan Size | Revenue \$1 Million or Less | \$100,000 or Less | 21 | 77.8 | | 761 | 24.6 | |
| | | \$100,001–\$250,000 | 1 | 3.7 | | 160 | 5.2 | |
| | | \$250,001–\$1 Million | 5 | 18.5 | | 2,178 | 70.3 | |
| | | Over \$1 Million | 0 | 0.0 | | 0 | 0.0 | |
| | | TOTAL | 27 | 100.0 | | 3,099 | 100.0 | |

As the table shows, a substantial majority of the bank's originated small business loans (96.4 percent) were made to businesses with revenues of \$1 million or less. Although demographic data indicates that 92.4 percent of businesses within the AA had revenues of \$1 million or less, aggregate data shows that less than half of all business loans were made to small businesses (45.9 percent). Therefore, the institution's lending to small businesses is excellent.

Geographic Distribution of Loans

As previously noted, the Crittenden County AA contains five low-income and eight moderate-income census tracts, representing 65.0 percent of all AA census tracts. Overall, the bank's geographic distribution of loans in this AA reflects reasonable penetration throughout these LMI census tracts, based on the HMDA and small business loan categories. Performance in the HMDA loan category carried the most significance in the overall conclusion. Furthermore, based on reviews from both loan categories, the bank had loan activity in 90.0 percent of the AA census tracts, and there were no conspicuous lending gaps noted in LMI areas. This information supports the conclusion that the bank's overall geographic distribution of loans is reasonable. The following table displays the geographic distribution of 2023 HMDA loans compared to owner-occupied housing demographics for the AA and aggregate data.

| Geographic Distribution of HMDA Loans Assessment Area: Crittenden County | | | | | | | | |
|---|---------------------|-----------|--------------|----------------|--------------|--------------|----------------|----------------------|
| Product Type | Tract Income Levels | 2023 | | | | | | |
| | | Count | | | Dollars | | | Owner-Occupied Units |
| | | Bank | | HMDA Aggregate | Bank | | HMDA Aggregate | |
| | | # | % | % | \$ (000s) | \$ % | \$ % | |
| Home Purchase | Low | 8 | 38.1 | 9.5 | 868 | 35.0 | 5.9 | 14.9 |
| | Moderate | 8 | 38.1 | 29.3 | 821 | 33.1 | 23.5 | 36.5 |
| | Middle | 2 | 9.5 | 22.9 | 255 | 10.3 | 23.0 | 20.6 |
| | Upper | 3 | 14.3 | 38.3 | 537 | 21.6 | 47.7 | 28.0 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 21 | 100.0 | 100.0 | 2,481 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 0 | 0.0 | 7.3 | 0 | 0.0 | 2.9 | 14.9 |
| | Moderate | 4 | 57.1 | 29.0 | 774 | 62.6 | 28.9 | 36.5 |
| | Middle | 0 | 0.0 | 23.4 | 0 | 0.0 | 23.0 | 20.6 |
| | Upper | 3 | 42.9 | 40.3 | 463 | 37.4 | 45.3 | 28.0 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 7 | 100.0 | 100.0 | 1,237 | 100.0 | 100.0 | 100.0 |
| Home Improvement | Low | 3 | 27.3 | 15.8 | 220 | 27.1 | 15.7 | 14.9 |
| | Moderate | 7 | 63.6 | 39.5 | 565 | 69.7 | 46.6 | 36.5 |
| | Middle | 1 | 9.1 | 23.7 | 26 | 3.2 | 21.0 | 20.6 |
| | Upper | 0 | 0.0 | 21.1 | 0 | 0.0 | 16.7 | 28.0 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 11 | 100.0 | 100.0 | 811 | 100.0 | 100.0 | 100.0 |
| Multifamily | Low | 1 | 100.0 | 25.0 | 632 | 100.0 | 9.3 | 29.6 |
| | Moderate | 0 | 0.0 | 50.0 | 0 | 0.0 | 82.0 | 38.6 |
| | Middle | 0 | 0.0 | 25.0 | 0 | 0.0 | 8.7 | 30.7 |
| | Upper | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 1.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 1 | 100.0 | 100.0 | 632 | 100.0 | 100.0 | 100.0 |
| Other Purpose Closed/Exempt | Low | 1 | 14.3 | 9.5 | 31 | 11.2 | 2.7 | 14.9 |
| | Moderate | 1 | 14.3 | 28.6 | 65 | 23.6 | 43.4 | 36.5 |
| | Middle | 2 | 28.6 | 14.3 | 75 | 27.2 | 6.8 | 20.6 |
| | Upper | 3 | 42.9 | 47.6 | 105 | 38.0 | 47.1 | 28.0 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 7 | 100.0 | 100.0 | 276 | 100.0 | 100.0 | 100.0 |

| | | | | | | | | |
|--------------------|--------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|
| HMDA TOTALS | Low | 13 | 27.7 | 9.4 | 1,751 | 32.2 | 5.7 | 14.9 |
| | Moderate | 20 | 42.6 | 30.1 | 2,225 | 40.9 | 27.5 | 36.5 |
| | Middle | 5 | 10.6 | 23.1 | 356 | 6.5 | 22.3 | 20.6 |
| | Upper | 9 | 19.1 | 37.4 | 1,105 | 20.3 | 44.6 | 28.0 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 47 | 100.0 | 100.0 | 5,437 | 100.0 | 100.0 | 100.0 |

The bank's total penetration of low-income census tracts by number of loans (27.7 percent) is nearly double the percentage of owner-occupied housing units in low-income census tracts (14.9 percent) and nearly triple that of other lenders in the AA (9.4 percent). Therefore, the bank's geographic performance in low-income census tracts is deemed excellent. The bank's total penetration of moderate-income census tracts by number (42.6 percent) is above the percentage of owner-occupied housing units in moderate-income census tracts (36.5 percent) and the performance of other lenders based on aggregate data (30.1 percent), reflecting excellent performance. Overall, 70.3 percent of the bank's HMDA loans were made to individuals in LMI census tracts. This is well above the aggregate lending data reported for these areas (39.5 percent) and the percentage of owner-occupied units in these LMI geographies (51.4 percent). Therefore, the bank's geographic distribution of HMDA loans in LMI areas is excellent.

The following table shows 2023 small business loan activity by geography income level compared to the location of businesses throughout the bank's AA and 2023 small business aggregate data.

| Geographic Distribution of Small Business Loans Assessment Area: Crittenden County | | | | | | | |
|---|--------------|--------------|------------------|------------------|--------------|------------------|-------------------|
| Tract Income Levels | 2023 | | | | | | |
| | Count | | | Dollars | | | Businesses |
| | Bank | | Aggregate | Bank | | Aggregate | |
| | # | % | % | \$ (000s) | \$ % | \$ % | % |
| Low | 1 | 3.6 | 19.6 | 22 | 0.6 | 26.4 | 21.9 |
| Moderate | 8 | 28.6 | 38.6 | 1,010 | 29.3 | 42.3 | 41.0 |
| Middle | 9 | 32.1 | 17.9 | 1,241 | 36.0 | 12.0 | 18.1 |
| Upper | 10 | 35.7 | 23.5 | 1,176 | 34.1 | 19.0 | 18.9 |
| Unknown | 0 | 0.0 | 0.5 | 0 | 0.0 | 0.2 | 0.0 |
| TOTAL | 28 | 100.0 | 100.0 | 3,449 | 100.0 | 100.0 | 100.0 |

The bank's lending in low-income census tracts (3.6 percent) is significantly below the estimated percentage of businesses operating inside the census tract (21.9 percent) and aggregate lending levels in low-income census tracts (19.6 percent) reflecting very poor performance. The bank's small business lending in moderate-income census tracts (28.6 percent) is lower than the aggregate small business lending percentage in moderate-income census tracts (38.6 percent) and the percentage of small businesses in moderate-income census tracts (41.0 percent). Thus, the bank's performance in moderate-income geographies is deemed poor. Overall, 32.2 percent of the bank's small business loans are made to businesses in LMI census tracts. This level of lending is below the aggregate (58.2 percent) and the percentage of small businesses located in LMI census tracts

(62.9 percent). As a result, the bank's geographic distribution of small business loans in LMI geographies is poor.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates excellent responsiveness to community development needs within the Crittenden County AA, considering the bank's capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans, qualified investments, and community development services.

During the review period, the bank extended 14 community development loans totaling \$32.2 million in this AA. Of those loans, ten were made for economic development, and four funded community services targeted to LMI individuals or geographies.

Community development investments in the AA totaled \$5.4 million. The amount was composed of 12 qualified investments in the form of municipal bonds purchased in school districts with a majority of students eligible for free or reduced lunches through the USDA National School Lunch Program. In addition, the bank made 26 donations totaling \$47,415 to local community service organizations and qualifying schools.

Finally, five employees contributed 17 community services to 13 organizations, totaling 469 hours, inside the Crittenden County AA. These services were primarily performed by bank employees leading financial literacy classes for students at qualifying schools and LMI individuals in the bank's AA.

CROSS COUNTY NONMETROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CROSS COUNTY ASSESSMENT AREA

This AA includes the entirety of Cross County. The bank operates one office in this AA. During the review period, the bank converted an LPO to a full-service branch and relocated to a new location less than one mile from the previous address. Additionally, two middle-income census tracts were considered distressed from 2021–2023 due to population loss. The tables below detail key demographics relating to this AA.

| Assessment Area Demographics by Population Income Level | | | | | |
|---|-------------------------|-----------|---------|--------|---------------|
| Demographic Type | Population Income Level | | | | TOTAL |
| | Low- | Moderate- | Middle- | Upper- | |
| Family Population | 957 | 763 | 764 | 2,101 | 4,585 |
| | 20.9% | 16.6% | 16.7% | 45.8% | 100.0% |
| Household Population | 1,367 | 1,316 | 955 | 2,930 | 6,568 |
| | 20.8% | 20.0% | 14.5% | 44.6% | 100.0% |

| Assessment Area Demographics by Geography Income Level | | | | | | |
|--|------------------------|-----------|---------|--------|----------|---------------|
| Dataset | Geography Income Level | | | | | TOTAL |
| | Low- | Moderate- | Middle- | Upper- | Unknown- | |
| Census Tracts | 0 | 2 | 2 | 2 | 0 | 6 |
| | 0.0% | 33.3% | 33.3% | 33.3% | 0.0% | 100.0% |
| Family Population | 0 | 1,256 | 1,418 | 1,911 | 0 | 4,585 |
| | 0% | 27.4% | 30.9% | 41.7% | 0.0% | 100.0% |
| Household Population | 0 | 2,114 | 1,924 | 2,530 | 0 | 6,568 |
| | 0% | 32.2% | 29.3% | 38.5% | 0.0% | 100.0% |
| Business Institutions | 0 | 188 | 117 | 223 | 0 | 528 |
| | 0% | 35.6% | 22.2% | 42.2% | 0.0% | 100.0% |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CROSS
COUNTY ASSESSMENT AREA**

LENDING TEST

The bank's Lending Test performance in this AA is consistent with the bank's Lending Test performance in the AA that was reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this AA, see the tables in *Appendix B*.

| Lending Test Criteria | Performance |
|---|--------------------|
| Geographic Distribution of Loans | Consistent |
| Distribution of Loans by Borrower's Profile | Consistent |
| OVERALL | Consistent |

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this AA is below the bank's Community Development Test performance in the Crittenden County AA, which was reviewed using full-scope procedures.

During the review period, the bank made six community development loans totaling \$990,250. All six loans were made for economic development purposes. Additionally, the bank made one investment of \$930,000, which was a municipal bond purchased in a school district where the majority of students were eligible for free or reduced lunches. The bank also made five donations totaling \$5,174. Finally, one employee participated in a community service activity, accounting for six hours of service at Wynne High School, during the review period.

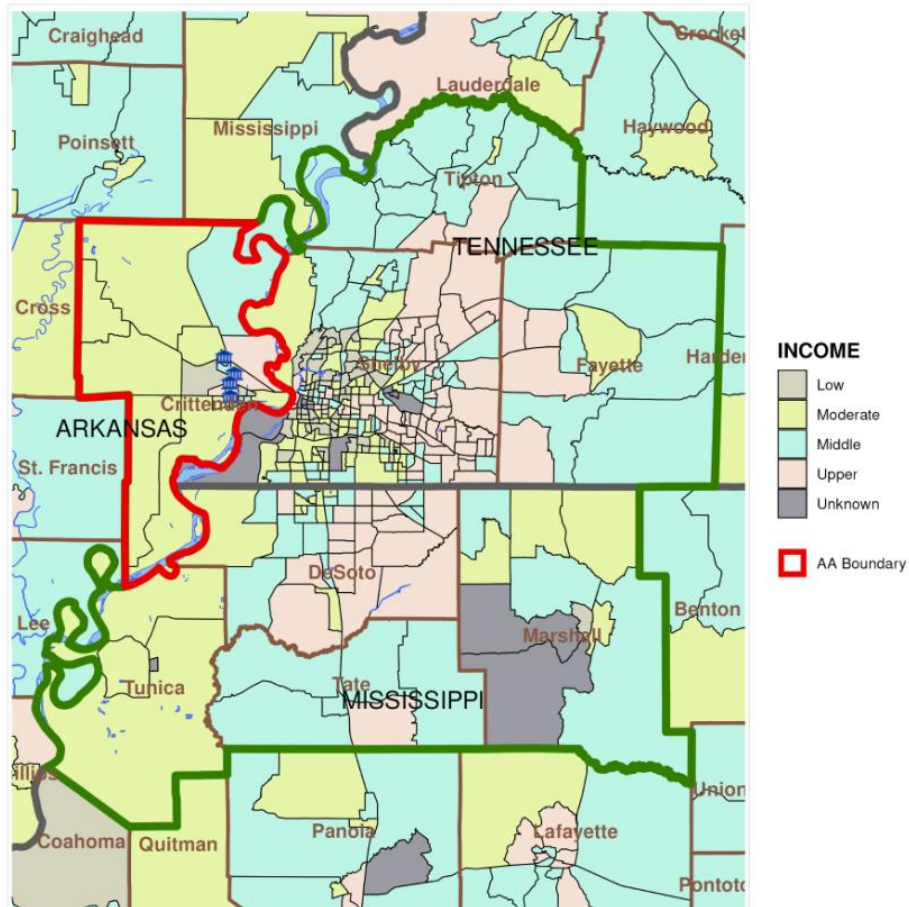
APPENDIX A – MAPS OF ASSESSMENT AREAS

ARKANSAS

Crittenden County Assessment Area

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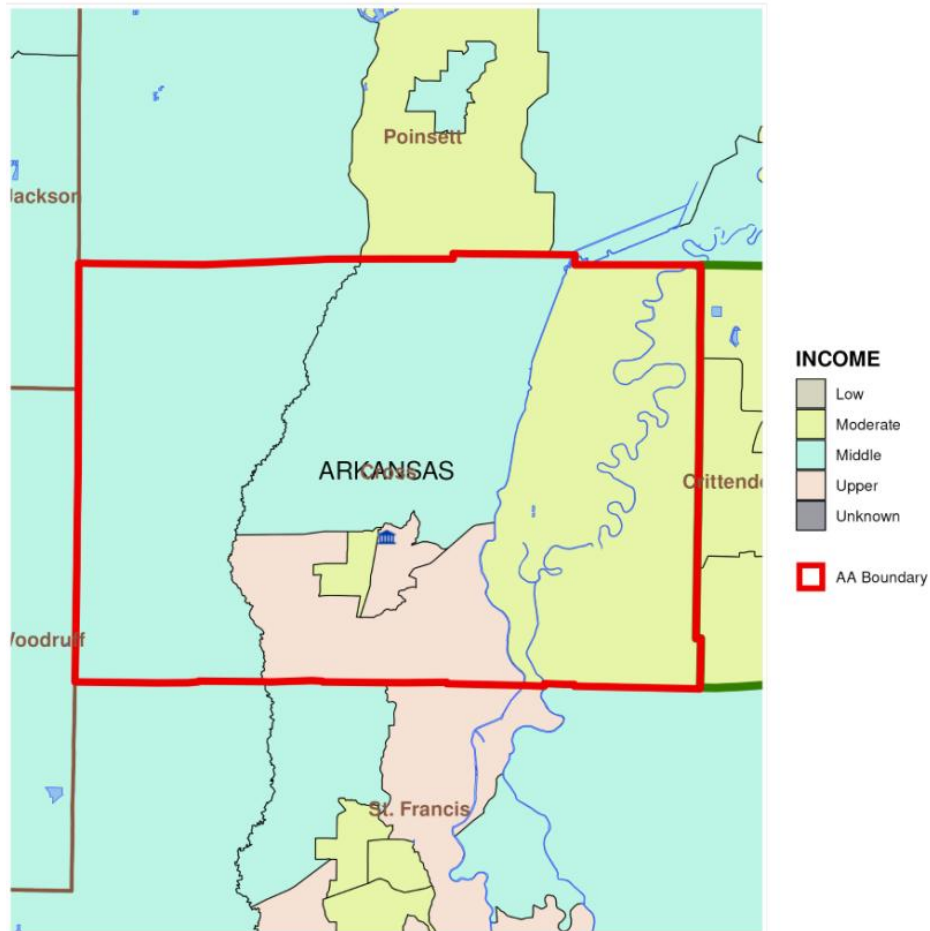
Memphis, TN-AR-MS partial MSA AA 2023 - Tract Income



Cross County Assessment Area

Fidelity Bank

Cross County, AR NonMSA AA 2023 - Tract Income



**APPENDIX B – LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE
REVIEW ASSESSMENT AREAS**

Cross County Assessment Area

| Borrower Distribution of HMDA Loans Assessment Area: Cross County | | | | | | | | |
|--|------------------------------|----------|--------------|-------------------|-----------|--------------|-------------------|--------------|
| Product Type | Borrower Income Levels | 2023 | | | | | | |
| | | Count | | | Dollars | | | Families |
| | | Bank | | HMDA Aggregate | Bank | | HMDA Aggregate | |
| | | # | % | % | \$ (000s) | \$ % | \$ % | |
| Home Purchase | Low | 0 | 0.0 | 5.9 | 0 | 0.0 | 2.9 | 20.9 |
| | Moderate | 0 | 0.0 | 9.5 | 0 | 0.0 | 6.9 | 16.6 |
| | Middle | 1 | 100.0 | 18.6 | 72 | 100.0 | 15.5 | 16.7 |
| | Upper | 0 | 0.0 | 33.9 | 0 | 0.0 | 44.6 | 45.8 |
| | Unknown | 0 | 0.0 | 32.1 | 0 | 0.0 | 30.0 | 0.0 |
| | TOTAL | 1 | 100.0 | 100.0 | 72 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 0 | 0.0 | 6.9 | 0 | 0.0 | 3.0 | 20.9 |
| | Moderate | 0 | 0.0 | 3.4 | 0 | 0.0 | 2.2 | 16.6 |
| | Middle | 0 | 0.0 | 8.6 | 0 | 0.0 | 5.8 | 16.7 |
| | Upper | 0 | 0.0 | 46.6 | 0 | 0.0 | 52.8 | 45.8 |
| | Unknown | 0 | 0.0 | 34.5 | 0 | 0.0 | 36.2 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| Home Improvement | Low | 0 | 0.0 | 13.3 | 0 | 0.0 | 12.6 | 20.9 |
| | Moderate | 0 | 0.0 | 6.7 | 0 | 0.0 | 12.7 | 16.6 |
| | Middle | 0 | 0.0 | 20.0 | 0 | 0.0 | 11.7 | 16.7 |
| | Upper | 0 | 0.0 | 46.7 | 0 | 0.0 | 56.8 | 45.8 |
| | Unknown | 0 | 0.0 | 13.3 | 0 | 0.0 | 6.1 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| Multifamily | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | N/A |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | N/A |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | N/A |
| | Upper | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | N/A |
| | Unknown | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | N/A |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | N/A |
| Other Purpose LOC | Low | 0 | 0.0 | 50.0 | 0 | 0.0 | 45.5 | 20.9 |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.6 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.7 |
| | Upper | 0 | 0.0 | 50.0 | 0 | 0.0 | 54.5 | 45.8 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |

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| | | | | | | | | |
|------------------------------------|--------------|----------|--------------|--------------|------------|--------------|--------------|--------------|
| Other Purpose Closed/Exempt | Low | 0 | 0.0 | 10.0 | 0 | 0.0 | 5.1 | 20.9 |
| | Moderate | 0 | 0.0 | 10.0 | 0 | 0.0 | 10.4 | 16.6 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.7 |
| | Upper | 1 | 33.3 | 60.0 | 40 | 5.7 | 26.0 | 45.8 |
| | Unknown | 2 | 66.7 | 20.0 | 656 | 94.3 | 58.6 | 0.0 |
| | TOTAL | 3 | 100.0 | 100.0 | 696 | 100.0 | 100.0 | 100.0 |
| Purpose Not Applicable | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 20.9 |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.6 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.7 |
| | Upper | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 45.8 |
| | Unknown | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| HMDA TOTALS | Low | 0 | 0.0 | 6.8 | 0 | 0.0 | 3.1 | 20.9 |
| | Moderate | 0 | 0.0 | 8.1 | 0 | 0.0 | 5.9 | 16.6 |
| | Middle | 1 | 25.0 | 15.9 | 72 | 9.4 | 12.7 | 16.7 |
| | Upper | 1 | 25.0 | 37.5 | 40 | 5.2 | 44.2 | 45.8 |
| | Unknown | 2 | 50.0 | 31.7 | 656 | 85.4 | 34.1 | 0.0 |
| | TOTAL | 4 | 100.0 | 100.0 | 768 | 100.0 | 100.0 | 100.0 |

| Small Business Loans by Revenue and Loan Size | | | | | | | | | |
|---|--------------------------------|-----------------------|-------|-------|-----------|-----------|-------|-----------|---------------------|
| Assessment Area: Cross County | | | | | | | | | |
| Business Revenue and Loan Size | | | 2023 | | | | | | |
| | | | Count | | | Dollars | | | Total Businesses |
| | | | Bank | | Aggregate | Bank | | Aggregate | |
| | | | # | % | % | \$ (000s) | \$ % | \$ % | |
| Business Revenue | \$1 Million or Less | | 8 | 100.0 | 49.3 | 308 | 100.0 | 46.7 | 91.1 |
| | Over \$1 Million/ Unknown | | 0 | 0.0 | 50.7 | 0 | 0.0 | 53.3 | 8.9 |
| | TOTAL | | 8 | 100.0 | 100.0 | 308 | 100.0 | 100.0 | 100.0 |
| Loan Size | \$100,000 or Less | | 8 | 0.0 | 96.8 | 308 | 0.0 | 66.9 | |
| | \$100,001–\$250,000 | | 0 | 0.0 | 2.7 | 0 | 0.0 | 25.6 | |
| | \$250,001–\$1 Million | | 0 | 0.0 | 0.5 | 0 | 0.0 | 7.6 | |
| | Over \$1 Million | | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | |
| | TOTAL | | 8 | 100.0 | 100.0 | 308 | 100.0 | 100.0 | |
| Loan Size | Revenue \$1 Million or Less | \$100,000 or Less | | 8 | 0.0 | | 0 | 0.0 | |
| | | \$100,001–\$250,000 | | 0 | 0.0 | | 0 | 0.0 | |
| | | \$250,001–\$1 Million | | 0 | 0.0 | | 0 | 0.0 | |
| | | Over \$1 Million | | 0 | 0.0 | | 0 | 0.0 | |
| | | TOTAL | | 8 | 100.0 | | 308 | 100.0 | |

| Geographic Distribution of HMDA Loans Assessment Area: Cross County | | | | | | | | |
|--|---------------------------|----------|--------------|-------------------|-----------|--------------|-------------------|-----------------------------|
| Product Type | Tract Income Levels | 2023 | | | | | | |
| | | Count | | | Dollars | | | Owner- Occupied Units |
| | | Bank | | HMDA Aggregate | Bank | | HMDA Aggregate | |
| | | # | % | % | \$ (000s) | \$ % | \$ % | |
| Home Purchase | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Moderate | 0 | 0.0 | 25.8 | 0 | 0.0 | 18.2 | 24.1 |
| | Middle | 1 | 100.0 | 18.1 | 72 | 100.0 | 14.9 | 32.4 |
| | Upper | 0 | 0.0 | 56.1 | 0 | 0.0 | 66.9 | 43.4 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 1 | 100.0 | 100.0 | 72 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Moderate | 0 | 0.0 | 34.5 | 0 | 0.0 | 23.2 | 24.1 |
| | Middle | 0 | 0.0 | 25.9 | 0 | 0.0 | 30.3 | 32.4 |
| | Upper | 0 | 0.0 | 39.7 | 0 | 0.0 | 46.6 | 43.4 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| Home Improvement | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Moderate | 0 | 0.0 | 40.0 | 0 | 0.0 | 28.6 | 24.1 |
| | Middle | 0 | 0.0 | 20.0 | 0 | 0.0 | 26.3 | 32.4 |
| | Upper | 0 | 0.0 | 40.0 | 0 | 0.0 | 45.1 | 43.4 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| Multifamily | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Moderate | 0 | 0.0 | 50.0 | 0 | 0.0 | 10.7 | 54.8 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 1.3 |
| | Upper | 0 | 0.0 | 50.0 | 0 | 0.0 | 89.3 | 43.9 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| Other Purpose LOC | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 24.1 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 32.4 |
| | Upper | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 43.4 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |

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| | | | | | | | | |
|------------------------------------|--------------|----------|--------------|--------------|------------|--------------|--------------|--------------|
| Other Purpose Closed/Exempt | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Moderate | 0 | 0.0 | 10.0 | 0 | 0.0 | 5.1 | 24.1 |
| | Middle | 2 | 66.7 | 30.0 | 656 | 94.3 | 63.1 | 32.4 |
| | Upper | 1 | 33.3 | 60.0 | 40 | 5.7 | 31.8 | 43.4 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 3 | 100.0 | 100.0 | 696 | 100.0 | 100.0 | 100.0 |
| Purpose Not Applicable | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Moderate | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 24.1 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 32.4 |
| | Upper | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 43.4 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| HMDA TOTALS | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Moderate | 0 | 0.0 | 27.8 | 0 | 0.0 | 18.7 | 24.1 |
| | Middle | 3 | 75.0 | 19.7 | 728 | 94.8 | 18.5 | 32.4 |
| | Upper | 1 | 25.0 | 52.4 | 40 | 5.2 | 62.8 | 43.4 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | TOTAL | 4 | 100.0 | 100.0 | 768 | 100.0 | 100.0 | 100.0 |

| Geographic Distribution of Small Business Loans Assessment Area: Cross County | | | | | | | |
|--|----------|--------------|--------------|------------|--------------|--------------|--------------|
| Tract Income Levels | 2023 | | | | | | |
| | Count | | | Dollars | | | Businesses |
| | Bank | | Aggregate | Bank | | Aggregate | |
| | # | % | % | \$ (000s) | \$ % | \$ % | % |
| Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| Moderate | 4 | 50.0 | 30.1 | 150 | 48.7 | 20.4 | 35.6 |
| Middle | 2 | 25.0 | 26.9 | 68 | 22.1 | 46.5 | 22.2 |
| Upper | 2 | 25.0 | 41.1 | 90 | 29.2 | 32.5 | 42.2 |
| Unknown | 0 | 0.0 | 1.8 | 0 | 0.0 | 0.5 | 0.0 |
| TOTAL | 8 | 100.0 | 100.0 | 308 | 100.0 | 100.0 | 100.0 |

APPENDIX C – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the

following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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