

# **PUBLIC DISCLOSURE**

**August 23, 2021**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Fidelity Bank  
RSSD #848248**

**330 West Broadway Street  
West Memphis, Arkansas 73201**

**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 are as follows:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- A majority of loans and other lending-related activities are in the assessment areas.
- The distribution of loans to borrowers reflects reasonable penetration among businesses of different revenue sizes and individuals of different income levels, including low- and moderate-income (LMI) levels.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- 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 assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in its assessment areas. The bank has responded to these needs through community development loans, qualified investments and donations, and community development services.

**SCOPE OF EXAMINATION**

The bank’s CRA performance was reviewed using the Federal Financial Institutions Examination Council’s (FFIEC’s) intermediate small bank procedures. The intermediate small bank examination procedures entail two performance tests: the Lending Test and the Community Development Test. The bank maintains operations in two delineated assessment areas within the state of Arkansas. One assessment area is comprised of Crittenden County, which is on the eastern border of Arkansas and is a part of the Memphis, Tennessee-Mississippi-Arkansas Multistate MSA (Memphis MSA). The other assessment area is comprised of Cross County, in a nonMSA portion of Arkansas that borders Crittenden County to the west.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area 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, 2020.

Assessment Area	Offices		Deposits as of June 30, 2020		Assessment Area Reviews		
	#	%	\$ (000s)	%	Full Scope	Limited Scope	TOTAL
Crittenden County	4	100.0%	\$405,660	100.0%	1	0	1
Cross County	0	0.0%	\$0	0.0%	0	1	1
<b>OVERALL</b>	<b>4</b>	<b>100.0%</b>	<b>\$405,660</b>	<b>100.0%</b>	<b>1</b>	<b>1</b>	<b>2</b>

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

Furthermore, residential real estate 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 particular emphasis on commercial lending, performance based on the small business 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	June 30, 2018 – June 30, 2021
Assessment Area Concentration	January 1, 2019 – December 31, 2019
Loan Distribution by Borrower’s Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	April 2, 2018 – August 22, 2021
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data, and certain business demographics are based on 2019 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 assessment area. Aggregate lending datasets are 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 in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$345.0 million to \$541.7 million as of June 30, 2021.

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 assessment areas.

- 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, two community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank’s assessment areas. Information from these interviews also assisted in evaluating the bank’s responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section applicable to the assessment area in which they were conducted.

## **DESCRIPTION OF INSTITUTION**

Fidelity Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. It is wholly owned by Carlson Bancshares, Inc., a one-bank holding company headquartered in West Memphis, Arkansas. The bank and Carlson Bancshares, Inc. are certified Community Development Financial Institutions (CDFIs), as designated by the U.S. Department of Treasury. The CDFI certification is a designation given by the CDFI Fund to specialized organizations that provide financial services to low-income communities and people who lack access to financing. 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 four offices (including the main office), all of which have full-service automated teller machines (ATMs) on site. In addition to being full-service facilities, all four offices also have drive-up accessibility. In addition, in November 2019, the bank opened a loan production office (LPO) in Wynne, Arkansas, located in Cross County, which borders Crittenden County to the west. The LPO has a deposit-taking ATM on site, and its addition resulted in the bank's entry into a second assessment area: the Cross County assessment area. The bank did not open or close any branch offices during this review period. 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 its entire Crittenden County assessment area. However, considering its new and limited presence in Cross County, the bank could not be reasonably expected to serve the entirety of its Cross County assessment area.

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 assessment area credit needs based on its available resources and financial products. As of June 30, 2021, the bank reported total assets of \$523.6 million. As of the same date, loans and leases outstanding were \$226.4 million (43.2 percent of total assets), and deposits totaled \$462.0 million. The bank's loan portfolio composition by credit category is displayed in the following table.

<b>Distribution of Total Loans as of June 30, 2021</b>		
<b>Credit Category</b>	<b>Amount (\$000s)</b>	<b>Percentage of Total Loans</b>
Construction and development	\$13,999	6.2%
Commercial real estate	\$102,525	45.3%
Multifamily residential	\$7,481	3.3%
1-4 family residential	\$22,261	9.8%
Farmland	\$19,783	8.7%
Farm loans	\$30,002	13.3%
Commercial and industrial	\$26,569	11.7%
Loans to individuals	\$3,604	1.6%
Total other loans	\$188	0.1%
<b>TOTAL</b>	<b>\$226,412</b>	<b>100.0%</b>

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial real estate loans, followed by farm loans and commercial and industrial loans.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on April 2, 2018, by the Office of the Comptroller of the Currency.

**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 13-quarter average, dating back to the bank’s last CRA evaluation. Of note, one of the peer banks in the table below is headquartered in Lawton, Oklahoma. While its headquarters are outside the assessment area, the peer bank has a presence in the region and has a similar portfolio composition, making it a suitable comparator.

<b>LTD Ratio Analysis</b>			
<b>Name</b>	<b>Headquarters</b>	<b>Asset Size (\$000s) as of June 30, 2021</b>	<b>Average LTD Ratio</b>
Fidelity Bank	West Memphis, Arkansas	\$523,636	53.8%
Regional Banks	Forrest City, Arkansas	\$541,690	56.5%
	Lawton, Oklahoma	\$503,665	45.3%
	Helena, Arkansas	\$345,006	68.1%

Based on data from the previous table, the bank’s level of lending is comparable to those of other banks in the region. During the review period, the LTD ratio was stable but experienced a decline beginning in the fourth quarter of 2019, with a 13-quarter average of 53.8 percent. In comparison, the average LTD ratios for the regional peers were in line with the bank’s ratios, with one experiencing a similar decline beginning around the same time, one following an increasing trend, and the last remaining stable throughout the review period. Therefore, compared to data from regional banks, the bank’s average LTD ratio is reasonable given the bank’s size, financial condition, and assessment area credit needs.



**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 assessment areas.

<b>Lending Inside and Outside of Assessment Area January 1, 2019 through December 31, 2019</b>						
<b>Loan Type</b>	<b>Inside Assessment Area</b>		<b>Outside Assessment Area</b>		<b>TOTAL</b>	
Small Business	43	74.1%	15	25.9%	<b>58</b>	<b>100%</b>
	\$4,413	74.2%	\$1,534	25.8%	<b>\$5,946</b>	<b>100%</b>
HMDA	52	83.9%	10	16.1%	<b>62</b>	<b>100%</b>
	\$4,314	84.9%	\$770	15.1%	<b>\$5,084</b>	<b>100%</b>
<b>TOTAL LOANS</b>	<b>95</b>	<b>79.2%</b>	<b>25</b>	<b>20.8%</b>	<b>120</b>	<b>100%</b>
	<b>\$8,727</b>	<b>79.1%</b>	<b>\$2,304</b>	<b>20.9%</b>	<b>\$11,030</b>	<b>100%</b>

A majority of loans and other lending-related activities were made in the bank’s assessment areas. As shown above, 79.2 percent of the total loans were made inside the assessment areas, accounting for 79.1 percent of the dollar volume of total loans.

**Borrower and Geographic Distribution**

Overall, performance by borrower’s income/revenue profile is reasonable, based on the analyses of lending in the bank’s two assessment areas, as is displayed in the following table. As stated previously, due to the bank’s low volume of activity during the review period, Cross County was evaluated using limited-scope review procedures, and performance in Cross County did not diminish performance in the Crittenden County assessment area.

<b>Assessment Area</b>	<b>Loan Distribution by Borrower’s Profile</b>
Crittenden County (full-scope)	Reasonable
Cross County (limited-scope)	Below
<b>OVERALL</b>	<b>REASONABLE</b>

As displayed in the following table, the bank’s overall distribution of lending by income level of census tract reflects overall reasonable penetration throughout the bank’s assessment areas subject to review, with the greatest emphasis on the Crittenden County assessment area.

<b>Assessment Area</b>	<b>Geographic Distribution of Loans</b>
Crittenden County (full-scope)	Reasonable
Cross County (limited-scope)	Below
<b>OVERALL</b>	<b>REASONABLE</b>

**Responses to Complaints**

No CRA-related complaints were filed against the bank during this review period (April 2, 2018 to August 22, 2021).

**COMMUNITY DEVELOPMENT TEST**

Fidelity Bank’s performance under the Community Development Test is rated outstanding. The bank demonstrates excellent responsiveness to the community development needs of the Crittenden County assessment area. The bank’s responsiveness to community development needs of Cross County is rated below that of the bank’s performance in Crittenden County, considering the bank’s capacity and the need and availability of such opportunities for community development in the assessment area.

<b>Full-Scope Assessment Area</b>	<b>Community Development Test Performance Conclusions</b>
Crittenden County	Excellent

<b>Limited-Scope Assessment Areas</b>	<b>Community Development Test Performance Conclusions</b>
Cross County	Below

The bank’s community development responsiveness is excellent given its level of community development activities. While performance varied between the two assessment areas, the overall Community Development Test rating was based most heavily on performance in the Crittenden County assessment area. Performance in the other assessment area, examined using limited-scope examination procedures, did not diminish performance in the bank’s Crittenden County assessment area.

During the review period, the bank made 26 qualifying loans totaling approximately \$19.2 million. Of those loans, 10 were to revitalize or stabilize LMI geographies, 10 were community services targeted to LMI individuals or geographies, and one supported economic development. Additionally, in the wake of the COVID-19 pandemic, the bank became a Small Business Administration (SBA) lender to respond to the community need for Paycheck Protection Program (PPP) loans. Five of the qualifying loans were PPP loans made to businesses located in LMI geographies, totaling \$919,830.

Community development investments and donations made in the bank’s assessment areas totaled \$4.5 million. This amount is comprised of nine qualified investments in the form of municipal bonds purchased in qualifying school districts inside the bank’s assessment areas. In addition, the bank made 14 donations to local community service organizations and qualifying schools totaling \$23,635.

Further, five employees contributed 12 community development services, totaling 39 hours. These services were primarily employees leading financial literacy classes for students at qualifying schools and individuals in the bank’s assessment areas.

In addition to meeting the community development needs of its own assessment areas, the bank made 121 qualified investments totaling approximately \$38.4 million in the broader statewide region that includes the bank's assessment areas. These qualified investments were municipal bonds purchased in qualifying school districts. Further, the bank originated 270 PPP loans totaling \$14.9 million in the middle- and upper-income geographies of its assessment areas and 142 additional PPP loans totaling \$3.6 million in the broader statewide region that includes its assessment areas.

#### **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 all four of its offices in this assessment area. Of the four offices, one is located in a low-income census tract, two are located in middle-income census tracts, and one is located in an upper-income census tract. Since the last examination, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the assessment area.

#### **General Demographics**

The bank’s assessment area, which has a population of 49,765, is adjacent to the Mississippi River in eastern Arkansas in the Memphis, Tennessee-Arkansas-Mississippi MSA (Memphis MSA). The Memphis MSA contains eight counties in three states; however, the bank’s assessment area consists of only one county, Crittenden County, Arkansas, in its entirety. The assessment area comprises a mix of urban and suburban areas in and around West Memphis and Marion to the north, but the surrounding areas are primarily rural small towns. Within the assessment area, West Memphis has the largest population at 24,402.

According to the FDIC Deposit Market Share Report data as of June 30, 2020, there are eight FDIC-insured depository institutions in the assessment area that operate 15 offices. Fidelity Bank, operating four offices in the assessment area (26.7 percent), ranked first in terms of deposit market share, with 35.3 percent of the total assessment area deposit dollars.

Commercial loan products for small businesses and startups represent a credit need in the assessment area. Other particular credit needs in the assessment area, as noted primarily from community contacts, include access to bank branches, products, and services, and affordable housing for LMI people.

#### **Income and Wealth Demographics**

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	6	4	6	3	1	<b>20</b>
	30.0%	20.0%	30.0%	15.0%	5.0%	<b>100%</b>
Family Population	3,099	1,952	4,908	2,420	185	<b>12,564</b>
	24.7%	15.5%	39.1%	19.3%	1.5%	<b>100%</b>

As shown in the preceding table, 50.0 percent of the census tracts in the assessment area are LMI geographies, and 40.2 percent of the family population resides in these tracts. The LMI areas are primarily concentrated in and around West Memphis in the eastern portion of Crittenden County, as well as in the western portion of the county around the city of Earle.

Based on 2015 ACS data, the median family income for the assessment area was \$46,133. At the same time, the median family income for the Memphis MSA was \$58,214. More recently, the FFIEC estimates the 2019 median family income for the Memphis MSA to be \$63,700. The following table displays population percentages of assessment area families by income level compared to the Memphis MSA family population as a whole.

<b>Family Population by Income Level</b>					
<b>Dataset</b>	<b>Low-</b>	<b>Moderate-</b>	<b>Middle-</b>	<b>Upper-</b>	<b>TOTAL</b>
Assessment Area	4,161	2,154	2,263	3,986	12,564
	33.1%	17.1%	18.0%	31.7%	100.0%
Memphis MSA	79,803	51,120	56,522	136,327	323,772
	24.6%	15.8%	17.5%	42.1%	100.0%

As shown in the table above, 50.2 percent of families within the assessment area are considered LMI, which is significantly higher than the percentage of LMI families in the Memphis MSA (40.4 percent). In addition, the percentage of families living below the poverty threshold in the assessment area (18.9 percent) is above the level in the Memphis MSA (14.9 percent). Considering these factors, the assessment area appears less affluent than the MSA as a whole.

**Housing Demographics**

Based on housing values, income levels, and rental costs, housing affordability in the assessment area appears to be similar to that of the Memphis MSA overall. The median housing value for the assessment area is \$104,634, which is well below the figure for the Memphis MSA (\$133,866). In addition, the median gross rent for the assessment area of \$686 per month is much lower than the \$849 per month for the Memphis MSA. However, when taking income levels into account, the assessment area housing affordability ratio of 36.1 percent is substantially similar to the Memphis MSA figure of 35.7 percent. While housing values are significantly lower in the assessment area when compared to the Memphis MSA as a whole, community contacts stated that major barriers to homeownership include lack of funds for down payments. This statement is supported by the fact that 49.1 percent of assessment area renters have rental costs exceeding 30.0 percent of their income. Therefore, housing is not likely within reach of most of the assessment area’s LMI population.

**Industry and Employment Demographics**

The assessment area supports a strong small business sector. According to Dun & Bradstreet data, 90.3 percent of businesses in the assessment area have annual revenues of less than \$1 million. County business patterns indicate that there are 13,844 paid employees in the assessment area. By percentage of employees, the three largest categories are manufacturing (15.0 percent) followed by healthcare and social assistance (14.0 percent) and accommodation and food services (14.0 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area and the Memphis MSA as a whole.

Unemployment Levels				
Dataset	Time Period (Annual Average)			
	2018	2019	2020	2021 (Jan – Feb)
Assessment Area	4.3%	4.2%	8.3%	6.7%
Memphis MSA	4.2%	4.2%	8.8%	6.7%

As shown in the table above, unemployment levels for the assessment area, as well as the Memphis MSA, show a significant increase in 2020, due primarily to impact from the COVID-19 pandemic. Additionally, unemployment levels in the assessment area have remained consistent with the overall Memphis MSA levels.

**Community Contact Information**

Information from two community contacts was used to help shape the performance context in which the bank’s activities in this assessment area were evaluated. Of these community contact interviews, one was with an individual specializing in affordable housing, and one was with a person promoting small business growth, entrepreneurship, and innovation. The community contact interviewees categorized the economy as stable and consistent with the Memphis MSA and the state of Arkansas. The population has remained relatively stable, and the area’s manufacturing and real estate were not seriously impacted by the COVID-19 pandemic. While the population is stable, both contacts described it as aging and agreed that a lack of job opportunities in the county has resulted in young people moving elsewhere after graduation.

One contact described affordable housing stock in West Memphis as being in good condition, but there’s not enough available to meet the demands of LMI families and individuals. In addition, the contact described LMI rental housing stock as difficult to obtain—even housing stock that is not in good condition. As a result, affordable housing was identified as a particular need, with lack of funding and creditworthiness described as the major barriers to LMI individuals transitioning to homeownership. The contact indicated there is a lack of loan products targeted to LMI people and cited a need for targeted programs to help LMI individuals build strong credit histories, financial education programs, and low-cost loan programs.

One contact described the assessment area as having favorable attributes to attract businesses, including proximity to Memphis, access to major transportation routes, and a low cost of living. However, the contact mentioned that the area's shortage of labor is a barrier to business growth. Additional barriers facing small businesses and start-ups, as described by the contact, include lack of business and financial education, lack of collateral to secure small dollar loans, and lack of general awareness of available resources, such as microlenders. The contact described small business loans for new businesses as a credit need in the area, as well as credit counseling and banking products and services targeted to LMI people.

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

**LENDING TEST**

The bank’s Lending Test rating in the Crittenden County assessment area is satisfactory. The overall distribution of loans by borrower’s revenue/income profile reflects reasonable penetration among businesses of different revenue sizes and borrowers of different income levels. Furthermore, the bank’s overall geographic distribution of loans reflects reasonable penetration throughout the assessment area.

**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 under the small business loan category is excellent, and its HMDA loan distribution by borrower’s profile is poor.

First, small business loans were reviewed to determine the bank’s lending levels to businesses of different sizes. The following table shows the distribution of 2019 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		2019						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	33	82.5%	33.3%	\$2,474	58.8%	28.3%	90.3%
	Over \$1 Million/ Unknown	7	17.5%	66.7%	\$1,735	41.2%	71.7%	9.7%
	<b>TOTAL</b>	<b>40</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,209</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Loan Size	\$100,000 or Less	29	72.5%	91.9%	\$1,169	27.8%	26.2%	
	\$100,001–\$250,000	7	17.5%	4.1%	\$1,175	27.9%	17.0%	
	\$250,001–\$1 Million	4	10.0%	4.0%	\$1,865	44.3%	56.8%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	<b>TOTAL</b>	<b>40</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,209</b>	<b>100.0%</b>	<b>100.0%</b>	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	26	78.8%		\$1,029	41.6%		
	\$100,001–\$250,000	6	18.2%		\$1,005	40.6%		
	\$250,001–\$1 Million	1	3.0%		\$440	17.8%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	<b>TOTAL</b>	<b>33</b>	<b>100.0%</b>		<b>\$2,474</b>	<b>100.0%</b>		

The bank originated the majority of its small business loans (82.5 percent) to businesses with revenues of \$1 million or less. While assessment area demographics estimate that 90.3 percent of businesses in the assessment area had annual revenues of \$1 million or less, the aggregate lending



level to small businesses (33.3 percent) was less than half of the bank’s level of lending. Therefore, lending to small businesses 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 (\$63,700 for the Memphis MSA as of 2019). The following table shows the distribution of HMDA reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2019 aggregate data for the assessment area is displayed.

Borrower Distribution of Residential Real Estate Loans									
Assessment Area: Crittenden County									
Product Type	Borrower Income Levels	2019							
		Count			Dollar				
		Bank		HMDA Aggregate	Bank		HMDA Aggregate		Families
		#	%	%	\$ (000s)	\$ %	\$ %	%	
Home Purchase	Low	0	0.0%	7.5%	0	0.0%	4.4%	33.1%	
	Moderate	1	4.2%	27.9%	44	1.7%	22.4%	17.1%	
	Middle	5	20.8%	0.0%	499	19.7%	0.0%	18.0%	
	Upper	15	62.5%	37.0%	1,705	67.3%	47.9%	31.7%	
	Unknown	3	12.5%	27.5%	287	11.3%	25.3%	33.1%	
	<b>TOTAL</b>	<b>24</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,535</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
Refinance	Low	0	0.0%	12.0%	0	0.0%	10.8%	33.1%	
	Moderate	1	9.1%	16.8%	50	4.8%	13.2%	17.1%	
	Middle	2	18.2%	0.0%	207	20.0%	0.0%	18.0%	
	Upper	6	54.5%	40.3%	452	43.8%	44.2%	31.7%	
	Unknown	2	18.2%	30.9%	324	31.4%	31.8%	0.0%	
	<b>TOTAL</b>	<b>11</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,033</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
Home Improvement	Low	1	14.3%	8.8%	62	14.8%	5.2%	33.1%	
	Moderate	1	14.3%	29.4%	45	10.7%	28.7%	17.1%	
	Middle	2	28.6%	0.0%	49	11.7%	0.0%	18.0%	
	Upper	3	42.9%	61.8%	263	62.8%	66.2%	31.7%	
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%	
	<b>TOTAL</b>	<b>7</b>	<b>100.0%</b>	<b>100.0%</b>	<b>419</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	33.1%	
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	17.1%	
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	18.0%	
	Upper	0	0.0%	14.3%	0	0.0%	0.3%	31.7%	
	Unknown	1	100.0%	85.7%	91	100.0%	99.7%	0.0%	
	<b>TOTAL</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>91</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

Other Purpose LOC	Low	0	0.0%	0.0%	0	0.0%	0.0%	33.1%
	Moderate	0	0.0%	25.0%	0	0.0%	3.3%	17.1%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	18.0%
	Upper	0	0.0%	75.0%	0	0.0%	96.7%	31.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other Purpose Closed/Exempt	Low	0	0.0%	0.0%	0	0.0%	0.0%	33.1%
	Moderate	1	12.5%	6.7%	21	11.3%	2.2%	17.1%
	Middle	2	25.0%	0.0%	41	22.0%	0.0%	18.0%
	Upper	5	62.5%	73.3%	124	66.7%	49.1%	31.7%
	Unknown	0	0.0%	20.0%	0	0.0%	48.7%	0.0%
	<b>TOTAL</b>	<b>8</b>	<b>100.0%</b>	<b>100.0%</b>	<b>186</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	33.1%
	Moderate	0	0.0%	1.2%	0	0.0%	2.4%	17.1%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	18.0%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	31.7%
	Unknown	0	0.0%	98.8%	0	0.0%	97.6%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
HMDA TOTALS	Low	1	2.0%	7.6%	62	1.5%	5.1%	33.1%
	Moderate	4	7.8%	23.0%	160	3.8%	17.8%	17.1%
	Middle	11	21.6%	0.0%	796	18.7%	0.0%	18.0%
	Upper	29	56.9%	36.0%	2,544	59.7%	41.7%	31.7%
	Unknown	6	11.8%	33.3%	702	16.5%	35.4%	0.0%
	<b>TOTAL</b>	<b>51</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4,264</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (2.0 percent) is substantially below the low-income family population figure (33.1 percent) and below the aggregate lending level to low-income borrowers (7.6 percent), reflecting poor performance. Similarly, the bank's level of lending to moderate-income borrowers (7.8 percent) is below the moderate-income family population percentage (17.1 percent) and the aggregate lending level to moderate-income borrowers (23.0 percent), also reflecting poor performance. The bank's residential real estate loan products are limited to short-term portfolio balloon loans and temporary construction financing, and the bank does not offer subsidized or guaranteed mortgage products, which are often necessary for LMI borrowers to finance housing. The limited mortgage products make it difficult for the bank to lend to LMI borrowers because they generally do not qualify for the mortgage products offered by the bank. Nevertheless, after taking this information into consideration, the bank's overall distribution of loans by borrower's profile is still deemed poor.

### Geographic Distribution of Loans

As noted previously, the Crittenden County assessment area includes six low-income and four moderate-income census tracts, representing 50.0 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts, based on the small business and HMDA loan

categories with primary emphasis on the bank’s small business lending. The following table displays 2019 small business loan activity by geography income level compared to the location of businesses throughout the bank’s assessment area and 2019 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Crittenden County							
Tract Income Levels	2019						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	7	17.5%	28.3%	\$997	23.7%	27.5%	24.8%
Moderate	6	15.0%	16.6%	\$1,054	25.0%	23.3%	13.9%
Middle	15	37.5%	33.5%	\$1,242	29.5%	28.6%	41.9%
Upper	12	30.0%	18.1%	\$916	21.8%	19.4%	18.3%
Unknown	0	0.0%	3.5%	\$0	0.0%	1.2%	1.1%
<b>TOTAL</b>	<b>40</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,209</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The bank’s level of lending in low-income census tracts (17.5 percent) is below the estimated percentage of businesses operating inside these census tracts (24.8 percent) and aggregate lending levels in low-income census tracts (28.3 percent). Consequently, the bank’s performance in low-income geographies is deemed poor. The bank’s percentage of loans in moderate-income census tracts (15.0 percent) is slightly lower than the aggregate lending percentage in moderate-income census tracts (16.6 percent) and higher than the percentage of small businesses in moderate-income census tracts (13.9 percent), representing reasonable performance. On a combined basis, the bank’s percentage of small business loans in LMI census tracts (32.5 percent) is lower than the aggregate lending performance (44.9 percent) but is only slightly less than the percentage of small businesses in LMI census tracts (38.7 percent), representing a reasonable geographic distribution of small business loans overall.

Next, the following table displays the geographic distribution of 2019 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

Geographic Distribution of Residential Real Estate Loans Assessment Area: Crittenden County								
Product Type	Tract Income Levels	2019						
		Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	5	20.8%	6.4%	170	6.7%	2.7%	19.1%
	Moderate	3	12.5%	13.3%	414	16.3%	11.9%	16.0%
	Middle	10	41.7%	43.5%	1,427	56.3%	44.1%	38.7%
	Upper	6	25.0%	36.7%	524	20.7%	41.2%	25.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.8%
	<b>TOTAL</b>	<b>24</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,535</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Refinance	Low	2	18.2%	4.7%	65	6.3%	2.2%	19.1%
	Moderate	1	9.1%	16.2%	206	19.9%	14.2%	16.0%
	Middle	5	45.5%	38.7%	433	41.9%	36.2%	38.7%
	Upper	3	27.3%	40.3%	329	31.8%	47.5%	25.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.8%
	<b>TOTAL</b>	<b>11</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,033</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Home Improvement	Low	1	14.3%	17.6%	20	4.8%	6.8%	19.1%
	Moderate	0	0.0%	8.8%	0	0.0%	6.1%	16.0%
	Middle	3	42.9%	41.2%	80	19.1%	35.1%	38.7%
	Upper	3	42.9%	32.4%	319	76.1%	51.9%	25.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.8%
	<b>TOTAL</b>	<b>7</b>	<b>100.0%</b>	<b>100.0%</b>	<b>419</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Multifamily	Low	0	0.0%	57.1%	0	0.0%	51.6%	21.7%
	Moderate	0	0.0%	14.3%	0	0.0%	45.9%	12.4%
	Middle	1	100.0%	28.6%	91	100.0%	2.6%	63.7%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	2.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>91</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other Purpose Line of Credit (LOC)	Low	0	0.0%	25.0%	0	0.0%	3.3%	19.1%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.0%
	Middle	0	0.0%	25.0%	0	0.0%	32.9%	38.7%
	Upper	0	0.0%	50.0%	0	0.0%	63.9%	25.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.8%
	<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other Purpose Closed/Exempt	Low	1	12.5%	6.7%	27	14.5%	2.9%	19.1%
	Moderate	1	12.5%	20.0%	21	11.3%	40.2%	16.0%
	Middle	4	50.0%	46.7%	81	43.5%	41.5%	38.7%
	Upper	2	25.0%	26.7%	57	30.6%	15.4%	25.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.8%
	<b>TOTAL</b>	<b>8</b>	<b>100.0%</b>	<b>100.0%</b>	<b>186</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Purpose Not Applicable	Low	0	0.0%	16.0%	0	0.0%	8.5%	19.1%
	Moderate	0	0.0%	28.4%	0	0.0%	27.1%	16.0%
	Middle	0	0.0%	30.9%	0	0.0%	37.4%	38.7%
	Upper	0	0.0%	24.7%	0	0.0%	27.0%	25.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.8%
	<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
HMDS TOTALS	Low	9	17.6%	7.7%	282	6.6%	6.6%	19.1%
	Moderate	5	9.8%	15.1%	641	15.0%	15.7%	16.0%
	Middle	23	45.1%	41.3%	2,112	49.5%	39.0%	38.7%
	Upper	14	27.5%	35.9%	1,229	28.8%	38.7%	25.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.8%
	<b>TOTAL</b>	<b>51</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4,264</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The bank's total penetration of low-income census tracts by number of loans (17.6 percent) is slightly below the percentage of owner-occupied housing units in low-income census tracts (19.1 percent). However, the bank's performance in low-income census tracts is well above that of other lenders in the assessment area (7.7 percent), reflecting reasonable performance in low-income census tracts.

The bank's total penetration of moderate-income census tracts by number of loans (9.8 percent) is below the percentage of owner-occupied housing units in moderate-income census tracts (16.0 percent) and the performance of other lenders based on aggregate lending data (15.1 percent). However, by dollar volume, the bank's performance in moderate-income census tracts (15.0 percent) is in line with that of other lenders in the assessment area (15.7 percent), reflecting reasonable performance. Combined, the bank's geographic distribution of HMDA loans in LMI geographies (27.4 percent) is reasonable overall.

Lastly, based on reviews from both loan categories, Fidelity Bank had loan activity in 75 percent of all assessment area 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.

#### COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates excellent responsiveness to community development needs of the Crittenden County assessment area, 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 made 26 qualifying community development loans totaling approximately \$19.2 million in the Crittenden County assessment area. Of those loans, 15 were to revitalize or stabilize LMI geographies, 10 funded community services targeted to LMI individuals or geographies, and one was for economic development. Additionally, in the wake of the pandemic, the bank became an SBA lender to respond to the community need for PPP loans. Five of the qualifying loans were PPP loans made to businesses located in LMI geographies, totaling \$920,000. Of note, three loans were made to a health center whose services are targeted to LMI families, one loan funded the rehabilitation of a motel in a low-income census tract, and three loans funded basic infrastructure in Crittenden County that would serve its LMI census tracts.

Community development investments in the assessment area totaled \$3.6 million. This amount comprised eight qualified investments, primarily in the form of municipal bonds purchased in school districts with a majority of students eligible for free or reduced price lunches through the USDA National School Lunch Program. In addition, the bank made 14 donations totaling \$23,635 to local community service organizations and qualifying schools.

Finally, five employees contributed 12 community development services, totaling 39 hours, inside the assessment area. These services were primarily performed by bank employees leading financial literacy classes for students at qualifying schools and LMI individuals in the bank's assessment area.

## NONMETROPOLITAN ARKANSAS STATEWIDE AREA

*(Limited-Scope Review)*

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CROSS COUNTY ASSESSMENT AREA

This assessment area includes the entirety of Cross County in a nonMSA portion of Arkansas. The bank operates no branches in this assessment area but in 2019 opened an LPO with an on-site deposit-taking ATM in Wynne, Arkansas. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	1,029	770	960	2,046	<b>4,805</b>
	21.4%	16.0%	20.0%	42.6%	<b>100%</b>
Household Population	1,729	1,030	1,074	3,085	<b>6,918</b>
	25.0%	14.9%	15.5%	44.6%	<b>100%</b>

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
Census Tracts	0	2	3	1	0	<b>6</b>
	0.0%	33.3%	50.0%	16.7%	0.0%	<b>100%</b>
Family Population	0	1,560	2,138	1,107	0	<b>4,805</b>
	0.0%	32.5%	44.5%	23.0%	0.0%	<b>100%</b>
Household Population	0	2,441	3,023	1,454	0	<b>6,918</b>
	0.0%	35.3%	43.7%	21.0%	0.0%	<b>100%</b>
Business Institutions	0	196	177	203	0	<b>576</b>
	0.0%	34.0%	30.7%	35.2%	0.0%	<b>100%</b>

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

**LENDING TEST**

The bank's Lending Test performance in this assessment area is below the bank's Lending Test performance in the assessment area 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 assessment area, see the tables in *Appendix A*.

<b>Lending Test Criteria</b>	<b>Performance</b>
Distribution of Loans by Borrower's Profile	Below
Geographic Distribution of Loans	Below
<b>OVERALL</b>	<b>Below</b>

**COMMUNITY DEVELOPMENT TEST**

The bank's Community Development Test performance in this assessment area is below the bank's Community Development Test performance in the assessment area within the MSA portion of the state of Arkansas that was reviewed using full-scope procedures.

During the review period, the bank made one qualified investment in the assessment area totaling \$930,000. The investment was a municipal bond purchased in a qualifying school district.

**LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW  
ASSESSMENT AREAS**

**Arkansas**

**Cross County Assessment Area**

Small Business Loans by Revenue and Loan Size								
Assessment Area: Cross County								
Business Revenue and Loan Size		2019						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	3	100.0%	31.9%	\$204	100.0%	46.8%	90.3%
	Over \$1 Million/ Unknown	0	0.0%	68.1%	\$0	0.0%	53.2%	9.7%
	<b>TOTAL</b>	<b>3</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$204</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Loan Size	\$100,000 or Less	2	66.7%	97.6%	\$74	36.3%	68.4%	
	\$100,001– \$250,000	1	33.3%	2.0%	\$130	63.7%	20.5%	
	\$250,001– \$1 Million	0	0.0%	0.4%	\$0	0.0%	11.0%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	<b>TOTAL</b>	<b>3</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$204</b>	<b>100.0%</b>	<b>100.0%</b>	
Loan Size	Revenue \$1 Million	\$100,000 or Less	2	66.7%		\$74	36.3%	
		\$100,001– \$250,000	1	33.3%		\$130	63.7%	
		\$250,001– \$1 Million	0	0.0%		\$0	0.0%	
		Over \$1 Million	0	0.0%		\$0	0.0%	
		<b>TOTAL</b>	<b>3</b>	<b>100.0%</b>		<b>\$204</b>	<b>100.0%</b>	

Borrower Distribution of Residential Real Estate Loans								
Assessment Area: Cross County								
Product Type	Borrower Income Levels	2019						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	0	0.0%	3.4%	0	0.0%	1.8%	21.4%
	Moderate	0	0.0%	10.6%	0	0.0%	7.1%	16.0%
	Middle	0	0.0%	17.7%	0	0.0%	13.9%	20.0%
	Upper	1	100.0%	45.3%	50	100.0%	54.5%	42.6%
	Unknown	0	0.0%	23.0%	0	0.0%	22.7%	0.0%
	<b>TOTAL</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>50</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Refinance	Low	0	0.0%	4.3%	0	0.0%	2.5%	21.4%
	Moderate	0	0.0%	11.7%	0	0.0%	5.3%	16.0%
	Middle	0	0.0%	18.1%	0	0.0%	14.4%	20.0%
	Upper	0	0.0%	37.2%	0	0.0%	39.6%	42.6%



Appendix A (continued)

	Unknown	0	0.0%	28.7%	0	0.0%	38.2%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	21.4%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.0%
	Middle	0	0.0%	22.2%	0	0.0%	40.3%	20.0%
	Upper	0	0.0%	77.8%	0	0.0%	59.7%	42.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	21.4%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.0%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	20.0%
	Upper	0	0.0%	50.0%	0	0.0%	3.8%	42.6%
	Unknown	0	0.0%	50.0%	0	0.0%	96.2%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other Purpose LOC	Low	0	0.0%	0.0%	0	0.0%	0.0%	21.4%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.0%
	Middle	0	0.0%	50.0%	0	0.0%	26.3%	20.0%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	42.6%
	Unknown	0	0.0%	50.0%	0	0.0%	73.7%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Geographic Distribution of Small Business Loans Assessment Area: Cross County							
Tract Income Levels	2019						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	28.2%	\$0	0.0%	21.5%	34.0%
Middle	3	100.0%	43.1%	\$204	100.0%	58.6%	30.7%
Upper	0	0.0%	24.2%	\$0	0.0%	17.0%	35.2%
Unknown	0	0.0%	4.4%	\$0	0.0%	2.8%	0.0%
<b>TOTAL</b>	<b>3</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$204</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Geographic Distribution of Residential Real Estate Loans Assessment Area: Cross County								
Product Type	Tract Income Levels	2019						
		Count			Dollar			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%	20.8%	0	0.0%	13.7%	24.4%
	Middle	1	100.0%	34.0%	0	0.0%	36.7%	52.8%

Appendix A (continued)

	Upper	0	0.0%	45.3%	0	0.0%	49.5%	22.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>50</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	19.1%	0	0.0%	14.4%	24.4%
	Middle	0	0.0%	43.6%	0	0.0%	43.2%	52.8%
	Upper	0	0.0%	37.2%	0	0.0%	42.4%	22.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	33.3%	0	0.0%	36.8%	24.4%
	Middle	0	0.0%	33.3%	0	0.0%	48.4%	52.8%
	Upper	0	0.0%	33.3%	0	0.0%	14.9%	22.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	50.0%	0	0.0%	3.8%	64.2%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Upper	0	0.0%	50.0%	0	0.0%	96.2%	35.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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%	24.4%
	Middle	0	0.0%	100.0%	0	0.0%	100.0%	52.8%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	22.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other Purpose Closed/Exempt	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	30.8%	0	0.0%	13.1%	24.4%
	Middle	0	0.0%	46.2%	0	0.0%	42.8%	52.8%
	Upper	0	0.0%	23.1%	0	0.0%	44.1%	22.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	22.2%	0	0.0%	18.5%	24.4%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	52.8%
	Upper	0	0.0%	77.8%	0	0.0%	81.5%	22.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>

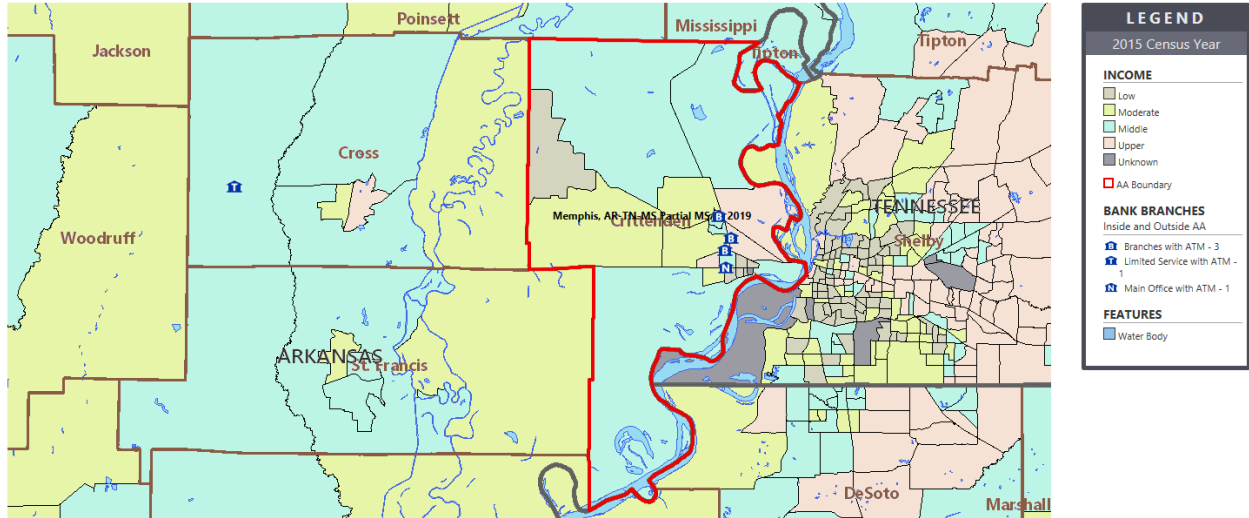
**Appendix A (continued)**

<b>HMDA TOTALS</b>	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	21.1%	0	0.0%	14.0%	24.4%
	Middle	1	100.0%	36.0%	50	100.0%	37.4%	52.8%
	Upper	0	0.0%	42.9%	0	0.0%	48.6%	22.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	<b>TOTAL</b>	<b>1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>50</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

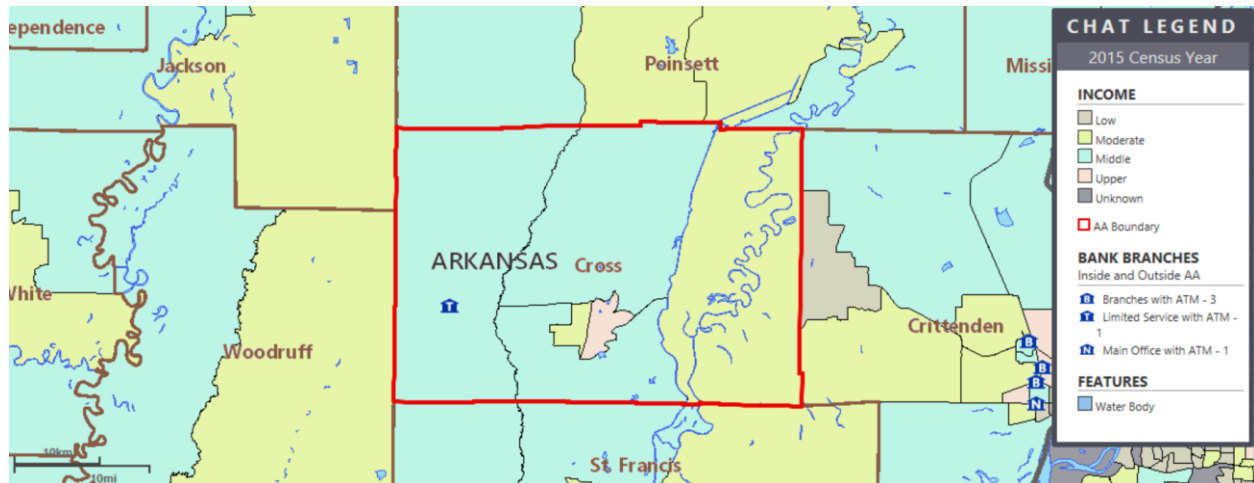
## ASSESSMENT AREAS MAP DETAILS

### Crittenden County Assessment Area

**Fidelity Bank - West Memphis, AR 2021**  
 Memphis, AR-TN-MS Partial MSA - 2019



### Cross County Assessment Area



## 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).

## Appendix C (continued)

**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.