



STEPPING FORWARD WITH
PURPOSE.



Fidelity
BANK

STATEMENT OF CONDITION | MARCH 31, 2020



2020

STRENGTH AND RESOLVE

During the last fiscal year ending March 31, 2020, our fourth generation, family-owned bank experienced new levels of success with the intent of serving as a source of strength for our customers. With our second highest net income of \$18.7 million, assets increasing more than 10% to \$2.6 billion, deposit growth of \$29 million and loan growth of \$221 million, we are prepared and resolved to help our customers, communities and team members make meaningful progress in even the most challenging of times. Quite simply, our performance is a direct result of the core values that drive our decisions: courage and integrity.

In the areas of lending, we reached new heights across our business units. Commercial and industrial lending production totaled a record \$215 million with year-end outstanding balances of \$535 million. Commercial real estate lending experienced a 12% increase in outstanding balances, arriving at \$920 million with production of \$265 million. Year-end outstanding construction lending balances grew nearly 21%, bolstered by \$178 million in production. Residential lending production increased an impressive 42% from the previous fiscal year, ending up at \$336 million.

Our growth and profitability is underpinned by our high standards for stewardship and credit quality, as evidenced by once again exceeding designated well-capitalized thresholds for our industry. In September 2019, we changed our charter from a federal savings association to a national bank, which allowed the bank to foster more comprehensive customer relationships and growth opportunities.

Important shifts in leadership, innovative enhancements and expansion were completed during the fiscal year. My son Aaron has served as president since 2015 and I felt it was time to ask the board to approve transfer of my role as chief executive officer. The board agreed, and Aaron became president and CEO effective April 1, 2020. Doug Sanders was promoted to the role of Oklahoma market president and is guiding the Oklahoma Fidelity Bank division through a period of tremendous growth, including expansion into Tulsa with the opening of a commercial banking office.

In the retail division, Interactive Banking technology flourished through wide customer adoption and expansion to two higher

education campuses in Wichita. Fidelity's first small footprint microbranch opened in Revolutsia, a unique retail development in Wichita constructed out of repurposed shipping containers. All of these changes position the bank to better meet the changing needs of our customers now and into the future.

Our Office of Culture and Talent and Corporate Social Responsibility teams guided the organization through initiatives of significant community investment, support and volunteerism. We established Our Fund, a collection of contributions by employees used to assist co-workers experiencing financial hardship. Beyond helping each other, our employees combined to volunteer 6,193 hours in service of nonprofit organizations. Through corporate sponsorship, we provided financial assistance to 144 different organizations across our three major markets during the fiscal year. We cemented our commitment to the future of Wichita's downtown development with our RISE expansion project, which began with the groundbreaking of Fidelity's Car Park, a five story, 500-car parking structure with 18,000 square feet of retail and office space on the ground floor.

While the bank's financial performance and investments are impressive, our strength and resolve came into focus at the very end of our fiscal year as the COVID-19 health pandemic began a period of sustained devastation to the vitality of our communities and the strength of our economy. Our focus quickly shifted to the very immediate needs of those closest to us, making decisions that live out our values and prioritize health and safety. Fortunately, we began this challenging period from a position of strength, heartened by the compassion of our people. We step forward with confidence knowing that the decisions and people that helped us achieve record numbers will also propel us through this period of tremendous uncertainty, as together we move

BRAVELY ONWARD.®

CHAIRMAN OF THE BOARD, FIDELITY BANK, N.A.

FIDELITY BANK FINANCIAL STATEMENTS

CONDENSED STATEMENT OF CONDITION (000s)	3/31/19	3/31/20
ASSETS		
Cash and Investment Securities	\$ 294,022	\$ 277,035
Loans Receivable, Net of Allowance	1,838,816	2,067,305
Other Assets	197,355	228,517
Total Assets	<u>\$ 2,330,193</u>	<u>\$ 2,572,857</u>
LIABILITIES AND CAPITAL		
Deposits	\$ 1,869,333	\$ 2,173,040
Borrowed Funds	218,002	141,035
Other Liabilities	16,296	17,283
Total Liabilities	<u>2,103,631</u>	<u>2,331,358</u>
Capital	226,562	241,499
Total Liabilities and Capital	<u>\$ 2,330,193</u>	<u>\$ 2,572,857</u>
CONDENSED STATEMENT OF INCOME (000s)*		
Interest and Dividend Income		
Interest and Dividend Income	\$ 97,864	\$ 103,735
Interest Expense	(25,986)	(29,739)
Provision for Loan Losses	223	(3,605)
Net Interest and Dividend Income	<u>72,101</u>	<u>70,391</u>
Noninterest Income		
Noninterest Income	23,952	23,032
Noninterest Expense	(67,687)	(69,134)
Income Before Taxes	28,366	24,289
Income Taxes	(6,734)	(5,563)
Net Income	<u>\$ 21,632</u>	<u>\$ 18,726</u>

REGULATORY CAPITAL RATIOS

TIER 1 LEVERAGE



COMMON EQUITY TIER 1 CAPITAL



TIER 1 CAPITAL



TOTAL CAPITAL



● Regulatory Well-Capitalized Threshold ● Fidelity Bank 3/31/2020

*Condensed income statement numbers comprise operations for the fiscal period from April 1 through March 31 derived from the quarterly Call Report Schedule RI as filed with FDIC.

"SOME WONDER HOW THEY WILL RESPOND TO THE UNEXPECTED. WE KNOW. THROUGH OUR STRENGTH AND RESILIENCE, WE TURN UNCERTAINTY INTO OPPORTUNITY AND TAKE CARE OF THOSE WHO PUT THEIR TRUST IN US. SIMPLY PUT, WE MOVE BRAVELY ONWARD."

AARON BASTIAN
PRESIDENT & CEO, FIDELITY BANK

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