

LISTENING.

LEARNING.

LEADING.

**Oklahoma
Fidelity
BANK**

STATEMENT OF CONDITION | MARCH 31, 2021

MEETING THE MOMENT.

This past year will be remembered for many reasons. We endured a health pandemic that dramatically altered lives and devastated communities across the globe. Improbably, it proved to be the most profitable year ever for our fourth generation, family-owned bank. This financial success enabled us to considerably increase charitable giving, which supported initiatives helping those most impacted by the health crisis. This was only possible because of the inspiring resiliency of our customers and our employees. In a year of challenges, I could not be more proud of our Fidelity team members who never wavered from their commitments to their customers, communities and each other.

In a fiscal year filled with challenges and shifts in our operational environment, we were able to adapt and continue to meet the banking needs of our customers. We ended the year with a record net income of \$24.3 million. Our assets increased to a historic high of \$2.7 billion. We achieved \$291 million in deposit growth and \$116 million in loan growth.

We saw strong performance in our lending divisions. Our residential construction lending production was up 35% with \$243 million in loan originations. Commercial and industrial loan balances ended the year at \$540 million, an increase of 2% for the fiscal year.

Mortgage lending has been a core business line for our bank for 75 years, and our experienced in-house team positioned us well for the home loan boom that occurred during the pandemic. Our residential loan production increased an astonishing 2.3 times over the previous fiscal year to a record \$790 million.

The Small Business Administration's Paycheck Protection Program proved to be a great program for our business customers and our country. Our team members spent days, nights and weekends guiding applicants through each step of the process. Through the first and second rounds of the program, we processed 930 loans totaling \$144 million, helping to ensure that businesses could weather the pandemic storm and that people could stay employed.

We have made significant efforts in the past few years to improve our technology systems and digital service delivery. In this most recent fiscal year, we successfully upgraded our online and mobile banking platforms, offering our customers a more robust and seamless digital banking experience as well as the ability to open and fund accounts completely online. We aren't stopping, either, with more enhancements being introduced in the coming months.

In this past fiscal year, when our communities needed us most, we answered the call for help with a 218% increase in giving, providing \$2.3 million in support through Fidelity Bank and the Fidelity Bank Foundation. We focused on helping those adversely impacted by the pandemic, providing recovery funding to businesses, remote educational assistance to children and unrestricted funding to organizations in the community addressing multiple facets of the pandemic response. Fidelity team members also found safe, responsible ways to volunteer more than 3,500 hours of their time in service of 123 organizations.

We continued to grow our footprint, expanding Oklahoma Fidelity Bank into Tulsa. What started in early 2020 with a single office location in the iconic 624 Boston Building, extended to the larger Tulsa metro area when Fidelity Bank's holding company bought Yorktown Bank with locations in Tulsa and Pryor. The full integration of these locations into the Oklahoma Fidelity Bank division will be completed in the upcoming fiscal year.

We took an important step in strengthening our workplace culture by launching an Office of Inclusion, Equity and Diversity. Founded on the belief that our differences are a source of strength, this new department seeks to find opportunities for our team members to learn from each other, grow together and create a workplace where every person feels welcome and respected. The work in this area has already helped us better acknowledge our diversity, activate our curiosity and take meaningful action.

This fiscal year proved that our people, customers and communities possess tremendous resiliency. Through challenges and uncertainty, we found strength by listening to each other, learning how to adapt and leading with purpose. We march on, resolved to be the best service organization and employer in the heartland, as together we move

BRAVELY ONWARD.®



A handwritten signature in dark ink that reads "Aaron Bastian".

AARON BASTIAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

FIDELITY BANK FINANCIAL STATEMENTS

CONDENSED STATEMENT OF CONDITION (000s)	3/31/20	3/31/21
ASSETS		
Cash and Investment Securities	\$ 277,035	\$ 321,202
Loans Receivable, Net of Allowance	2,067,305	2,182,386
Other Assets	228,517	237,971
Total Assets	<u>\$ 2,572,857</u>	<u>\$ 2,741,559</u>
LIABILITIES AND CAPITAL		
Deposits	\$ 2,173,040	\$ 2,467,404
Borrowed Funds	141,035	5,000
Other Liabilities	17,283	27,443
Total Liabilities	<u>2,331,358</u>	<u>2,499,847</u>
Capital	241,499	241,712
Total Liabilities and Capital	<u>\$ 2,572,857</u>	<u>\$ 2,741,559</u>
CONDENSED STATEMENT OF INCOME (000s)*	3/31/20	3/31/21
Interest and Dividend Income	\$ 103,735	\$ 100,401
Interest Expense	(29,739)	(10,766)
Provision for Loan Losses	(3,605)	(7,631)
Net Interest and Dividend Income	<u>70,391</u>	<u>82,004</u>
Noninterest Income	23,032	38,558
Noninterest Expense	(69,134)	(89,557)
Income Before Taxes	<u>24,289</u>	<u>31,005</u>
Income Taxes	(5,563)	(6,697)
Net Income	<u>\$ 18,726</u>	<u>\$ 24,308</u>

REGULATORY CAPITAL RATIOS

TIER 1 LEVERAGE



COMMON EQUITY TIER 1 CAPITAL



TIER 1 CAPITAL



TOTAL CAPITAL



● Regulatory Well-Capitalized Threshold ● Fidelity Bank 3/31/2021

*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.

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