

CRA PUBLIC FILE

Fidelity Deposit & Discount Bank

UPDATED APRIL 1, 2026

INSTRUCTIONS FOR BANK EMPLOYEES

A bank shall make available to the public for inspection upon request and at no cost the CRA Public File including the most recent Performance Evaluation.

Electronic copy of the CRA Public File and the most recent CRA Performance Evaluation are located on the Bank's intranet under Departments/Compliance/Forms. Contact Compliance or CRA Officer with any questions or assistance.



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WRITTEN PUBLIC COMMENTS

Fidelity D&D Bank did not receive any Written Public Comments for the current year and each of the prior two calendar years.

BRANCH LOCATIONS

The Fidelity Deposit & Discount Bank has conveniently located branch offices in Scranton-Wilkes-Barre, PA MSA 42540 and Allentown-Bethlehem-Easton, PA-NJ MSA 10900 to serve all your banking needs. The following is a list of our branch offices by MSA along with their addresses, census tract numbers and income designations.

ALLENTOWN-BETHLEHEM-EASTON, PA-NJ MSA 10900

BANGOR OFFICE

303 Pennsylvania Avenue
Bangor, PA 18013
(610) 588-0983
Census Tract: 0152.02-Middle

BETHLEHEM OFFICE

44 East Broad Street
Bethlehem, PA 18018
(484) 241-4464
Census Tract: 0108.00-Moderate

EASTON OFFICE

101 South 3rd Street
Easton, PA 18042
(610) 253-5117
Census Tract: 0144.00-Moderate

FORKS TOWNSHIP OFFICE

1250 Braden Boulevard
Easton, PA 18040
(484) 548-6095
Census Tract: 0171.04-Upper

MOUNT BETHEL OFFICE

2118 Delaware Drive
Mount Bethel, PA 18343
(570) 897-7650
Census Tract: 0182.00-Middle

NAZARETH OFFICE

44 South Broad Street
Nazareth, PA 18064
(610) 746-5140
Census Tract: 0168.01-Middle

WIND GAP OFFICE

45 North Broadway
Wind Gap, PA 18091
(272) 232-5317
Census Tract: 0157.00-Moderate

SCRANTON-WILKES-BARRE, PA MSA 42540

ABINGTON OFFICE

1311 Morgan Highway
Clarks Summit, PA 18411
(570) 586-3212
Census Tract: 1104.03-Upper

DUNMORE OFFICE

101 North Blakely Street
Dunmore, PA 18512
(570) 342-8281
Census Tract: 1120.00-Upper

HAZLETON OFFICE

383 South Poplar Street
Hazleton, PA 18201
(570) 501-7001
Census Tract: 2173.00-Middle

MOOSIC OFFICE

4010 Birney Avenue
Moosic, PA 18507
(570) 504-0789
Census Tract: 1128.00-Upper

PECKVILLE OFFICE

1598 Main Street
Peckville, PA 18452
(570) 483-3300
Census Tract: 1112.00-Middle

SCRANTON FINANCIAL CENTER

338 North Washington Avenue
Scranton, PA 18503
(570) 504-8001
Census Tract: 1002.00-Low

WILKES BAREE OFFICE

64 North Franklin Street
Wilkes Barre, PA 18701
(272) 229-9850
Census Tract: 2001.00-Moderate

BACK MOUNTAIN OFFICE

2363 Memorial Highway
Dallas, PA 18612
(570) 675-3332
Census Tract: 2112.01-Upper

GREEN RIDGE OFFICE

111 Green Ridge Street
Scranton, PA 18509
(570) 342-5532
Census Tract: 1009.00-Middle

KINGSTON OFFICE

247 Wyoming Avenue
Kingston, PA 18704
(570)-338-0119
Census Tract: 2130.00-Middle

MOUNTAIN TOP OFFICE

1 South Mountain Boulevard
Mountain Top, PA 18707
(570) 403-2297
Census Tract: 2155.01-Upper

PITTSTON OFFICE

225 Kennedy Boulevard
Pittston, PA 18640
(570) 908-0103
Census Tract: 2106.00-Moderate

WEST SCRANTON OFFICE

400 South Main Avenue
Scranton, PA 18504
(570) 504-8182
Census Tract: 1021.00-Moderate

WYOMING OFFICE

1000 Wyoming Avenue
Wyoming, PA 18644
(570) 609-5800
Census Tract: 2116.00-Middle

HOURS OF OPERATION

Branch	Lobby Hours		Drive-Thru Hours		ATM	Night Drop	Coin Machine
Abington Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Back Mountain Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Bangor Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Bethlehem Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	Closed	Sat	Closed			
	Sun	Closed	Sun	Closed			
Dunmore Office	Mon-Fri	7:00am - 5:00pm	Mon-Fri	7:00am - 5:00pm	Yes	Yes	Yes
	Sat	7:00am - 2:00pm	Sat	7:00am - 2:00pm			
	Sun	Closed	Sunday	Closed			
Easton Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	No
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sim	Closed			
Forks Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Green Ridge Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:30pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	8:30am - 12:00pm			
	Sun	Closed	Sun	Closed			
Hazleton Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			

Branch	Lobby Hours		Drive-Thru Hours		ATM	Night Drop	Coin Machine
Kingston Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Moosic Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Mountain Top Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Mount Bethel Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Nazareth Office	Mon-Fri	8:30am - 5:00pm	N/A		Yes	Yes	Yes
	Sat	Closed					
	Sun	Closed					
Peckville Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Pittston Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Scranton Financial Center Office	Mon-Fri	8:30am - 5:00pm	N/A		Yes	Yes	Yes
	Sat	Closed					
	Sun	Closed					
West Scranton Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Branch	Lobby Hours		Drive-Thru Hours		ATM	Night Drop	Coin Machine

Wilkes Barre Office	Mon-Fri	8:30am – 5:00pm	N/A		Yes	Yes	Yes
	Sat	Closed					
	Sun	Closed					
Wind Gap Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am - 5:00pm	Yes	Yes	Yes
	Sat	9:00am - 12:00pm	Sat	9:00am - 12:00pm			
	Sun	Closed	Sun	Closed			
Wyoming Office	Mon-Fri	9:00am - 5:00pm	Mon-Fri	8:30am-5:00pm	Yes	Yes	Yes
	Sat	Closed	Sat	Closed			
	Sun	Closed	Sun	Closed			
Customer Care Center	Mon-Fri	8:30am - 6:00pm	N/A		No	No	No
	Sat	9:00pm - 1:00pm					
	Sun	Closed					
Wealth Management *by appointment only 252 Sunbury Street Minersville, PA 17954	Mon-Fri	9:00am - 5:00pm	N/A		No	No	No
	Sat	Closed					
	Sun	Closed					

Additional ATM Locations

Location	Address
Adames Bakery & Restaurant	27 E Broad St. West Hazleton, PA 18202
Dallas Shopping Center	32 Dallas Shopping Center Dallas, PA 18612
Gino Merli Veterans' Center	401 Penn Ave. Scranton, PA 18503
LK Hair Shop	408 Main St., White Haven, PA 18661
Joe's Beerman	1561 Main St. Peckville, PA 18452
Keystone Industrial Park	1232 Keystone Industrial Park Rd. Dunmore, PA 18512
Market Street Bar & Grill	223 West Market St. Scranton, PA 18508
Marywood University Learning Commons	201 Morgan Rd., Dunmore, PA 18509
Marywood University McGowan Center	1201 University Ave., Scranton, PA 18509
Marywood University Nazareth Student Center	1300 University Ave., Scranton, PA 18509
Mountain Plaza	1131 Moosic St. Scranton, PA 18503
Scranton Cultural Center	420 N. Washington Ave. Scranton, PA 18503
TJ Maxx Distribution Center	4000 Oldfield Rd. Pittston, PA 18640
Wilkes Barre/Scranton International Airport	100 Terminal Rd. Avoca, PA 18641
Zummo's Café	916 Marion St. Scranton, PA 18509

PRODUCTS & SERVICES

Consumer Deposit Products

1. Start Fresh Checking
2. First Step Checking
3. Reliance Checking
4. Relationship Checking
5. Performance Checking
6. Platinum Checking
7. Money Market Deposit Accounts
8. Optimum Choice Savings
9. Statement Savings
10. Green Team Savings
11. Scholar Savings
12. IRA Certificates of Deposit (Fixed & Variable Rate)
13. IRA Optimum Savings
14. Certificates of Deposit
15. CDARS/ICS Programs
16. Christmas & All-Purpose Clubs
17. Teen Spending Account
18. Fidelity Bank At Work Checking

Consumer Loan Products

1. Home Equity Lines of Credit
2. Home Equity Installment Loans
3. Conventional and Jumbo Mortgages
4. Construction Mortgages
5. FHA/USDA/VA Mortgages
6. Auto Loans
7. Personal Loans
8. Secured & Unsecured Loans
9. Preferred Credit Loans

Card Services

1. Visa® Consumer Debit Card
2. Visa® Business Debit Card
3. Visa® Credit Card

Digital Services

1. Mobile Banking
2. Mobile Deposit
3. Online Banking
4. Web Bill Pay
5. Electronic Statement Delivery
6. Email Alerts & Text Alerts
7. Secure Mail
8. Online Account Opening
9. Telephone Link
10. Transfer Now (Consumer)
11. Card Manager
12. Digital Wallet

Business Deposit Products and Services

1. Business Checking
2. Basic Business Checking
3. Business Relationship Interest Checking
4. Business Analysis Checking
5. Community First Non-Profit Checking
6. Community First Checking
7. Estate Checking
8. IOLTA Checking
9. Fidelity Muni-Choice Checking
10. CDARS/ICS Programs
11. Savings Accounts
12. Certificates of Deposit
13. Money Market Deposit Accounts
14. Fidelity Bank at Work Program
15. Healthcare Checking
16. Healthcare Analysis Checking
17. Healthcare Relationship Interest Checking

Business Loan Products

1. Commercial Loans
2. Equipment Loans
3. Healthcare Loans
4. Lines of Credit
5. Municipal Loans
6. Community Development Loans
7. Commercial/Equipment Leasing
8. Commercial Mortgages
9. Letters of Credit

Special Business Loan Programs

1. SBA Loan Programs
2. PEDFA Loans
3. FHLB – BOB Program

4. USDA Loan Programs
5. Scranton Industrial Development Company Loan Program
6. Tax Incremental Financing Programs

Business Services Cash Management

1. Business Online Banking
2. Fidelity Mobile Banking for Business
3. Mobile Deposit for Business
4. Direct Deposit Services
5. Merchant Services Credit Card Processing
6. Electronic Funds Receivables & Payables
7. Positive Pay Fraud Detection (ACH & Check)
8. Valet Banking Courier Service
9. Remote Deposit Capture
10. Lock Box
11. Zero Balance Accounting (ZBA)
12. eGiving (electronic donation/tithing)
13. Wire Transfer Services
14. Business Sweeps
15. Business Bill Pay
16. Sweep Line of Credit

Investment Services*

1. Retirement Planning
2. College Planning
3. Estate Planning
4. Exchange Traded Funds (ETF's)
5. Life Insurance
6. Fixed and Variable Annuities
7. Unit Investment Trusts
8. Mutual Funds
9. Stocks
10. Bonds
11. Long Term Care Insurance
12. 401(k) Plans (Including Solo 401(k) Plans)
13. Profit Sharing Plans
14. 403(b) Plans
15. SEP-IRA Plans
16. SIMPLE IRA Plans

**Not FDIC insured. No Bank Guarantee.
May Lose Value.*

Trust Services

1. Personal Trust
2. Charitable Trusts
3. Special Needs Trusts
4. Revocable & Irrevocable Trusts
5. Testamentary Trusts
6. Estate Settlement & Services
7. Endowments

8. Guardianships
9. Corporate Trust
10. Bond Trustee
11. Paying Agent
12. Institutional Money Management

Additional Bank Services

1. Acceptance of Dunmore Taxes
2. Acceptance of Scranton/Lackawanna Taxes
3. Acceptance of Elite Revenue Services Delinquent Tax & Levee Payments
4. Money Orders & Cashier Checks
5. Safe Deposit Box Services
6. Acceptance of Lackawanna River Basin Sewer Authority Payments
7. Acceptance of Hazleton City Water Authority & Police Fund Payments
8. Acceptance of Lower Mount Bethel Sanitation Authority Payments
9. Acceptance of Pen Argyl Borough Sewer Authority Payments
10. Acceptance of Portland Borough Sewer & Water Authority Payments
11. Acceptance of Roseto Borough Sewer Authority Payments
12. Wire Transfer Services (Domestic & International)

PERSONAL FEE SCHEDULE (Effective: 01-02-2026)**Personal Fee Schedule**

Effective 01-02-2026

Feature	Service Charge	Description/Notes
Account Research Fee	\$25 per hour pro-rated plus \$0.20 per page	
Account Closing	\$20	If closed within 180 days of account opening.
Cashier's Checks	\$10 per check	Waived on qualifying accounts. ¹
Check Image Statements	\$3 per month	Consult a Fidelity Banker to set up check image statements.
Check Orders	Varies	For check orders placed through the Fidelity Bank Client Care Center, www.bankatfidelity.com or in-branch. ²
Coin Cashing/Coin Machine NonCustomers	6.5% of transaction amount	Individuals without a Fidelity deposit or loan account will be charged a 6.5% fee on the total amount of coin redeemed.
Collection Items	\$20 per item An additional \$50 is assessed for checks drawn on a foreign bank in US Dollars. An additional \$30 is assessed for checks drawn on a foreign bank in a foreign currency. ³	Applies to checks drawn on foreign banks. The exchange rate is determined and set by the issue bank on the day the issuing bank pays the collection item.
Embroidered Zippered Night Depository Bag	Varies based on size and quantity ordered.	9x12 and 12x16 sizes available.
Escheat	Lesser of \$100 or account balance	
Fidelity Fee for Transactions at Other Banks' ATMs	\$2 per withdrawal; \$1 per balance inquiry; \$1 per transfer	When using a Fidelity Visa® Debit Card. Waived on qualifying accounts. ⁴
Fidelity Visa® Debit Card Monthly Card Fee	No Charge	Fee assessed on certain products no longer available. ⁵
Fidelity Visa® Debit Card Other Banks' ATM Fees	Varies	When using a Fidelity Visa® Debit Card. Waived on qualifying accounts. ⁶
Fidelity Visa® Debit Card Replacement	\$5 per request	
Foreign Currency Exchange	For both purchases & redemptions, \$13 exchange fee per request. For purchase, overnight shipping fee waived; \$5 additional fee for priority overnight shipping & \$10 additional fee for home delivery.	All fees waived for Platinum accounts when placed in-branch or by calling the Fidelity Client Care Center. Foreign exchange rates apply & vary daily. Orders placed online receive standard exchange rates. Orders placed in-branch or by contacting the Fidelity Client Care Center are eligible to receive relationship rates. Please consult a Fidelity Banker for details.

Inactive Account Fee	\$5 per month	Charged after six (6) months of inactivity on checking accounts or after two (2) years of inactivity on a savings or money market account. ⁷
International Purchases and Cash Advances	3% of transaction amount	Assessed on Fidelity Visa® Debit Cards.
IRA Transfer	\$100 per request	
Legal Process	\$125 plus when applicable, Bank's attorney fee and court costs.	To include Writs, Garnishments and Tax Levy.
Loan/Lease Payment Customer Care Center & Pay My Loan	One-time payments: \$4.95 fee per payment for guests & registered clients. Registered automatic recurring payments: \$4.95 fee per payment if paid via debit card. No charge if recurring payment made thru ACH from a checking or savings account. Customer Care Center assisted payment: \$9.95 per payment.	ACH from checking/savings or debit card payments accepted.
Mobile Deposit	No Charge	Fee assessed on certain products no longer available. ⁸
Money Order	\$5 per order	Waived on qualifying accounts. ⁹

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Personal Fee Schedule

Effective 01-02-2026

Feature	Service Charge	Description/Notes
Non-Sufficient Funds (NSF) Overdraft	\$35 per item (paid or returned). Up to five (5) items per day.	Created by check, in person, ATM withdrawal or other electronic means; assessed when available balance is insufficient. One (1) NSF fee waived per statement cycle on Platinum Checking accounts.
Overdraft Protection From a Deposit Account	No Charge	No charge assessed for set-up or per transfer.
Paper Statements	\$3 per month	Waived on qualifying accounts. ¹⁰ EZ statements available at no charge.
Photocopies	\$1.00 per page	Includes statement & check reprints.

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Returned Item Fee	\$10 per item	
Safe Deposit Box Drilling Fee	\$200 plus any additional charges from locksmith	
Safe Deposit Box Late Charge	\$15	Charged after thirty (30) days late
Safe Deposit Box Lost Key	\$20 plus any additional charges from locksmith	
Safe Deposit Box Rental	\$20 - \$150 per year: 2x5 \$20; 2½x5 \$20; 2x9 \$65; 3x5 \$35; 3x10 \$75; 4x5 \$30; 5x5 \$55; 5x9 \$115; 5x10 \$70; 7x10 \$80; 10x10 \$150; 11x9½ \$130	Relationship, Performance and Fidelity Bank at Work Checking accounts receive first year rent free on 3x5 box. Platinum Checking receives any box size rent free for the first year. ¹¹
Stop Payment	\$35 per request;	\$25 per request for Performance Checking accounts. Fee waived on Platinum Checking accounts. ¹²
Stop Payment by Fidelity Telephone Link or Online	\$25 per request	
Treasury Coupon Redemption	\$15 per envelope	
TransferNow- External Online Transfers	Standard delivery & scheduled recurring transfers no charge. Expedite/Express Next Day Transfer \$2.50 per transfer.	Available to deposit account clients with Retail Online Banking.
Web Bill Pay	\$6 per month	Free if at least two (2) bills per month are paid online. Charge may vary for certain accounts. ¹³
Web Bill Pay- Overnight Check	\$14.95 per request	Option available for certain paper payments to be delivered within one (1) business day.
Web Bill Pay- Same Day Bill Payment	\$9.95 per request	Option available for certain electronic payments to be delivered on the same business day as scheduled.
Wire Transfer- Domestic Outgoing	\$30 per request	Fee waived on Platinum Checking.
Wire Transfer-Foreign Outgoing	\$50 per request plus related fees	Fee waived on Platinum Checking.
Wire Transfer- Incoming	\$15 per request plus related charges	Fee waived on Platinum Checking.

¹ Relationship, Performance and Platinum Checking accounts; or Classic, Fidelity and Green Choice Checking accounts. ² Reliance, Relationship, Performance & Platinum Checking account holders 55 years of age or older & 49 Plus Checking accounts receive one (1) box of single, specialty wallet checks per calendar year at no charge; Relationship account holders 54 years of age & younger and Fidelity Bank at Work accounts receive one-time \$10 discount on check order; Performance checking account holders 54 years of age & younger receive \$15 one-time discount on check order; Platinum Checking account holders receive exclusive branded single or duplicate specialty wallet checks in gray at no charge; otherwise, a \$25 one-time discount is available on all other check designs; Classic Choice Checking accounts receive single, specialty wallet checks at no charge; Fidelity Choice Checking accounts receive first order of Wallet VP 40 checks at no charge; Green Choice Checking accounts receive first order of Wallet VP 20 checks at no charge; Free Checking account holders 55 years of age or older receive single,

specialty wallet checks at no charge. ³ Check collection may take 6-8 weeks or longer to settle and fees will be assessed. Collection items must be sent back to the originating bank for processing and due to nature of the process, foreign banks do not take high priority on processing these items and may apply fees up to \$200. ⁴ Waived on Performance, Platinum, Scholar Savings, Teen Spending, Fidelity, Classic and Green Choice Checking accounts. \$6 reimbursed per statement cycle per 49 Plus Checking accounts. ⁵ \$2 per month Fidelity Visa[®] Debit Card fee assessed on Personal Checking, EZ Access Checking and Free Checking accounts. ⁶ Waived on Platinum Checking account; \$6 reimbursed per statement cycle per Relationship Checking and Fidelity Bank at Work Checking accounts; \$15 reimbursed per statement cycle per Performance Checking account. Two (2) other banks' fees for withdrawals at Non-Fidelity ATMs reimbursed per statement cycle per card on Classic, Fidelity and Green Choice Checking accounts. ⁷ Waived on Scholar and Green Team savings products. ⁸ \$0.50 per deposit over five (5) per statement cycle on 49 Plus Checking accounts. \$0.50 per deposit over five (5) per statement cycle if average monthly balance falls below \$2,500 per statement cycle on Interest Checking accounts. ⁹ Classic, Fidelity or Green Choice accounts. ¹⁰ Waived on Classic Choice, Fidelity Choice, Free Checking accounts. ¹¹ Classic and Fidelity Choice Checking accounts receive first year rent free and 50% discount on subsequent years; Free Checking account holders 55 years of age or older receive first year rent free. 49 Plus Checking receive first year rent free on standard 3x5 box or 25% annual discount on larger box. ¹² \$25 per request for Classic, Fidelity, Green Choice Checking accounts. ¹³ \$0.50 per bill over ten (10) bills per statement cycle on 49 Plus Checking & Interest Checking accounts.

BUSINESS FEE SCHEDULE (Effective: 01/02/2026)

Feature	Service Charge	Description/Notes
Account Research Fee	\$25 per hour pro-rated plus \$0.20 per page	
Business Bill Pay	\$6 per user per month	Free if at least two (2) bills per month are paid online. Charge may vary for certain accounts. ¹
Cash Management Services	Contact Business Services at 570-365-8207 for additional information.	Services include Check & ACH Positive Pay, Remote Deposit Capture, ACH Origination, Sweep Accounts, Online Wire Transfer, Lockbox, Zero Balance Accounting, and Merchant Services Credit Card Processing.
Cashier's Checks	\$10 per check	
Check Image Statements	No Charge	Consult a Fidelity Banker to set up check image statements.
Check Orders	Varies	For check orders placed through the Fidelity Bank Customer Care Center, www.bankatfidelity.com or inbranch.
Coin Cashing/Coin Machine NonCustomers	6.5% of transaction amount	Individuals without a Fidelity deposit or loan account will be charged a 6.5% fee on the total amount of coin redeemed. Commercial use of branch coin machines is not available.
Collection Items	\$20 per item plus related charges An additional \$50 is assessed for checks drawn on a foreign Bank in US Dollars.	Applies to checks drawn on foreign banks. The exchange rate is determined and set by the issuing bank on the day the issuing bank pays the collection item.

	An additional \$30 is assessed for checks drawn on a foreign bank in a foreign currency ²	
Embroidered Zippered Night Depository Bag	Varies based on size and quantity ordered	9"x12" and 12"x16" sizes available
Escheat	Lesser of \$100 or account balance	
Fidelity Fee for Transactions at Other Banks' ATMs	\$2 per withdrawal; \$1 per balance inquiry; \$1 per transfer	When using a Fidelity Visa® Business Debit Card.
Fidelity Visa® Business Debit Card Replacement	\$5 per request	
Inactive Account Fee	\$5 per month	Charged after six (6) months of inactivity on a checking account or two (2) years of inactivity on a savings or Money Market account. ³
International Purchases and Cash Advances	3% of transaction amount	Assessed on Fidelity Visa® Business Debit Cards.
Legal Process	\$125 plus when applicable, Bank's attorney fee and court costs.	To include Writs, Garnishments and Tax Levy.
Loan/Lease Payment Customer Care Center & Pay My Loan	One-time payments: \$4.95 fee per payment for guests & registered clients. Registered automatic recurring payments: \$4.95 fee per payment if paid via debit card. No charge if recurring payment made thru ACH from a checking or savings account. Customer Care Center assisted payment: \$9.95 per payment.	ACH from checking/savings or debit card payments accepted.
Mobile Deposit	No Charge	Separate agreement required.
Money Order	\$5 per order	
Non-Sufficient Funds (NSF) Overdraft	\$35 per item (paid or returned)	Created by check, in person, ATM withdrawal or other electronic means; assessed when available balance is insufficient.

Paper Statements	\$3 per month	Waived on qualifying accounts. ⁴ EZ statements available at no charge.
Photocopies	\$1.00 per copy	Includes statement & check reprints.
Returned Item Fee	\$10 per item ⁵	

Safe Deposit Box Drilling Fee	\$200 plus any additional charges from locksmith	
Safe Deposit Box Late Charge	\$15	Charge after thirty (30) days late
Safe Deposit Box Lost Key	\$20 plus any additional charges from locksmith	
Safe Deposit Box Rental	\$20 - \$150 per year: 2x5 \$20; 2½x5 \$20; 2x9 \$65; 3x5 \$35; 3x10 \$75; 4x5 \$30; 5x5 \$55; 5x9 \$115; 5x10 \$70; 7x10 \$80; 10x10 \$150; 11x9 ^{1/2} \$130	
Stop Payment	\$35 per request ⁵	
Stop Payment by Fidelity Telephone Link or Online	\$25 per request ⁵	
Uncollected Item Fee	\$35 per item	
Wire Transfer- Domestic Outgoing Wire in Person	\$30 per wire transfer ⁵	
Wire Transfer- Domestic Outgoing Wire Online	\$20 per wire transfer ⁵	Separate agreement required. Monthly online wire module fee may apply.
Wire Transfer- Foreign Outgoing Wire in Person	\$55 per wire transfer plus related fees ⁵	
Wire Transfer- Foreign Outgoing Wire Online	\$50 per wire transfer plus related fees ⁵	Separate agreement required. Monthly online wire module fee may apply.
Wire Transfer- Incoming Wire Transfer	\$15 per wire transfer ⁵	

¹ \$6.95 per month charge for Business Super Interest Checking, Non-Profit Super Interest Checking, Public Funds Super Interest Checking, Public Funds Interest Checking. \$6.95 per month charge for Public Funds Checking & Business Checking accounts from Merchants Bank of Bangor no longer available. Fee waived on Premium Business Checking & Business Interest Checking accounts grandfathered from Merchants Bank of Bangor regardless of number of bills paid per month. ² Check collection may take 6-8 weeks or longer to settle and fees will be assessed. Collection items must be sent back to the originating bank for processing and due to nature of the process, foreign banks do not take high priority on processing these items and may apply fees up to \$200. ³ Waived on Money Market accounts opened for Public Funds entities. ⁴ Business Analysis Checking, Healthcare Analysis Checking, Community First Non-Profit Checking, Community First Checking, IOLTA Checking, Muni Choice Checking and Estate Checking. ⁵ These fees may be offset by your earnings allowance if you have Business Analysis Checking or Healthcare Analysis Checking.

BRANCHES OPENED OR CLOSED

Branch(s) opened during the current year or within the prior two calendar years:

Fidelity Deposit & Discount Bank has not opened any branches during the current, or previous two Calendar Years

Branch(s) closed during the current year or within the prior two calendar years:

Fidelity Deposit & Discount Bank has not closed any branches during the current, or previous two Calendar Years

MAPS AND CENSUS TRACTS OF ASSESSMENT AREAS

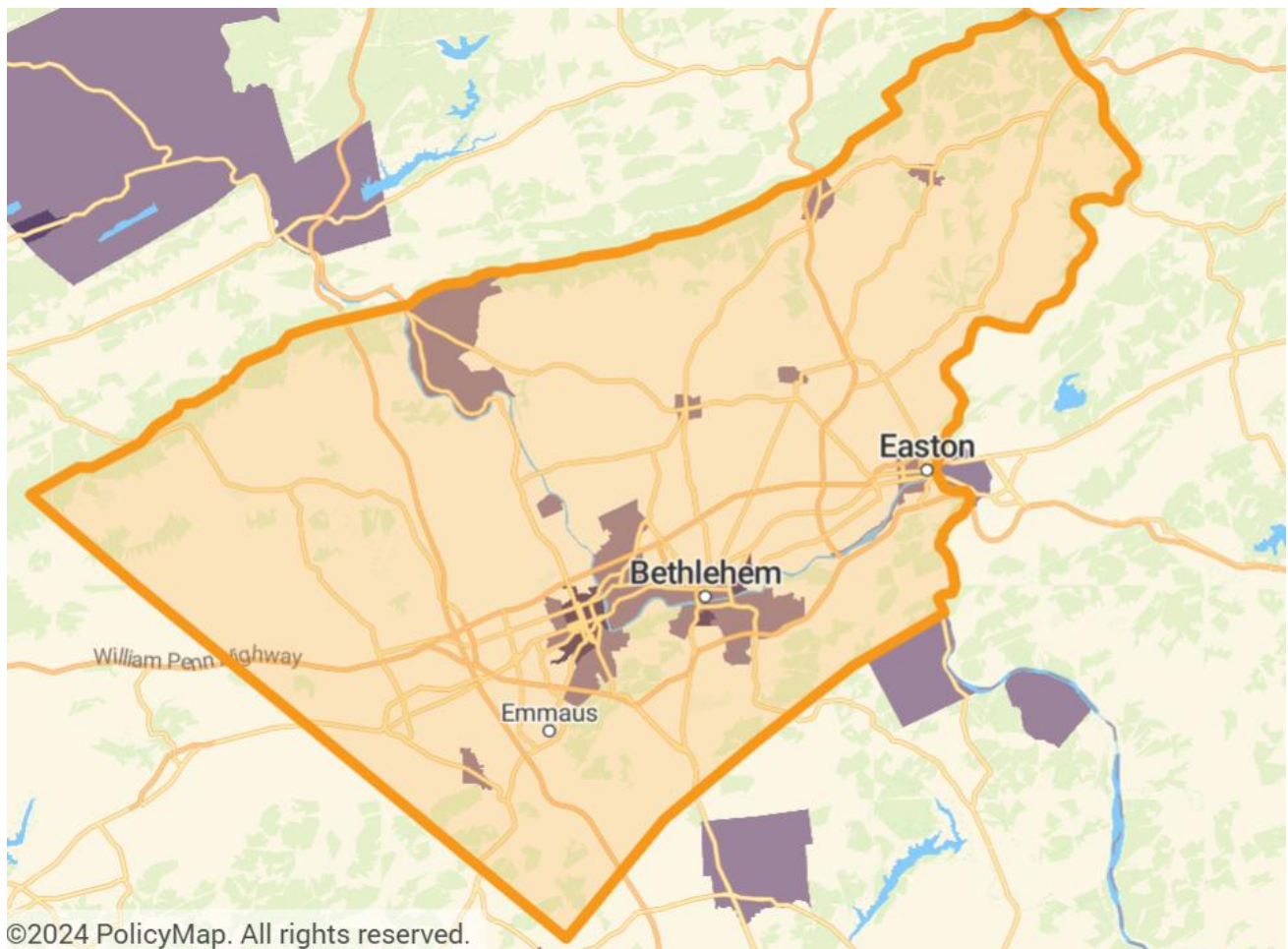
MSA/MD: 10900- ALLENTOWN-BETHLEHEM-EASTON, PA-NJ

State: 42 - PENNSYLVANIA (PA)

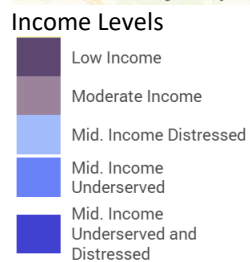
County: 095 - NORTHAMPTON COUNTY; Tract: ALL TRACTS (74)

County: 077 - LEHIGH COUNTY; Tract: ALL TRACTS (81)

Geographies (Census Tracts)					
Low #, %	Moderate #, %	Middle #, %	Upper #, %	Unknown #, %	AA Total #, %
14 9.03%	33 21.29%	64 41.29%	44 28.39%	0 0.00%	155 100.00%



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A List of Tracts and Income Level by County

ASSESSMENT AREA: COUNTY-CODE-MSA	FIDELITY BANK ASSESSMENT AREA NAME	CENSUS TRACT	TRACT INCOME LEVEL
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0101.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0102.00	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0103.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0104.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0105.00	Low
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0106.01	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0106.02	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0107.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0108.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0109.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0110.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0111.00	Low
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0112.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0113.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0141.00	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0142.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0143.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0144.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0145.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0146.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0147.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0152.02	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0152.03	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0153.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0154.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0155.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0156.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0157.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0158.01	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0158.02	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0159.01	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0159.02	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0160.01	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0160.02	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0161.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0162.01	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0162.02	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0163.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0164.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0165.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0166.00	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0167.00	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0168.01	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0168.02	Moderate
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0169.01	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0169.02	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0170.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0171.01	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0171.03	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0171.04	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0172.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0173.00	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0174.02	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0174.03	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0174.04	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0175.01	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0175.02	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0176.03	Middle
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0176.04	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0176.05	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0176.06	Upper
NORTHAMPTON-95-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0176.07	Upper

LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0063.04	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0063.05	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0063.09	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0063.10	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0063.11	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0063.12	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0064.01	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0064.02	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0065.00	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0066.00	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0067.01	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0067.02	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0067.03	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0068.00	Moderate
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0069.02	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0069.03	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0069.05	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0069.06	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0070.00	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0091.00	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0092.00	Middle
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0093.00	Upper
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0094.00	Moderate
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0095.00	Moderate
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0096.01	Moderate
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0096.02	Moderate
LEHIGH-77-10900	Allentown-Bethlehem-Easton, PA-NJ MSA	0097.00	Low

Source: <https://www.ffiec.gov/census/default.aspx>

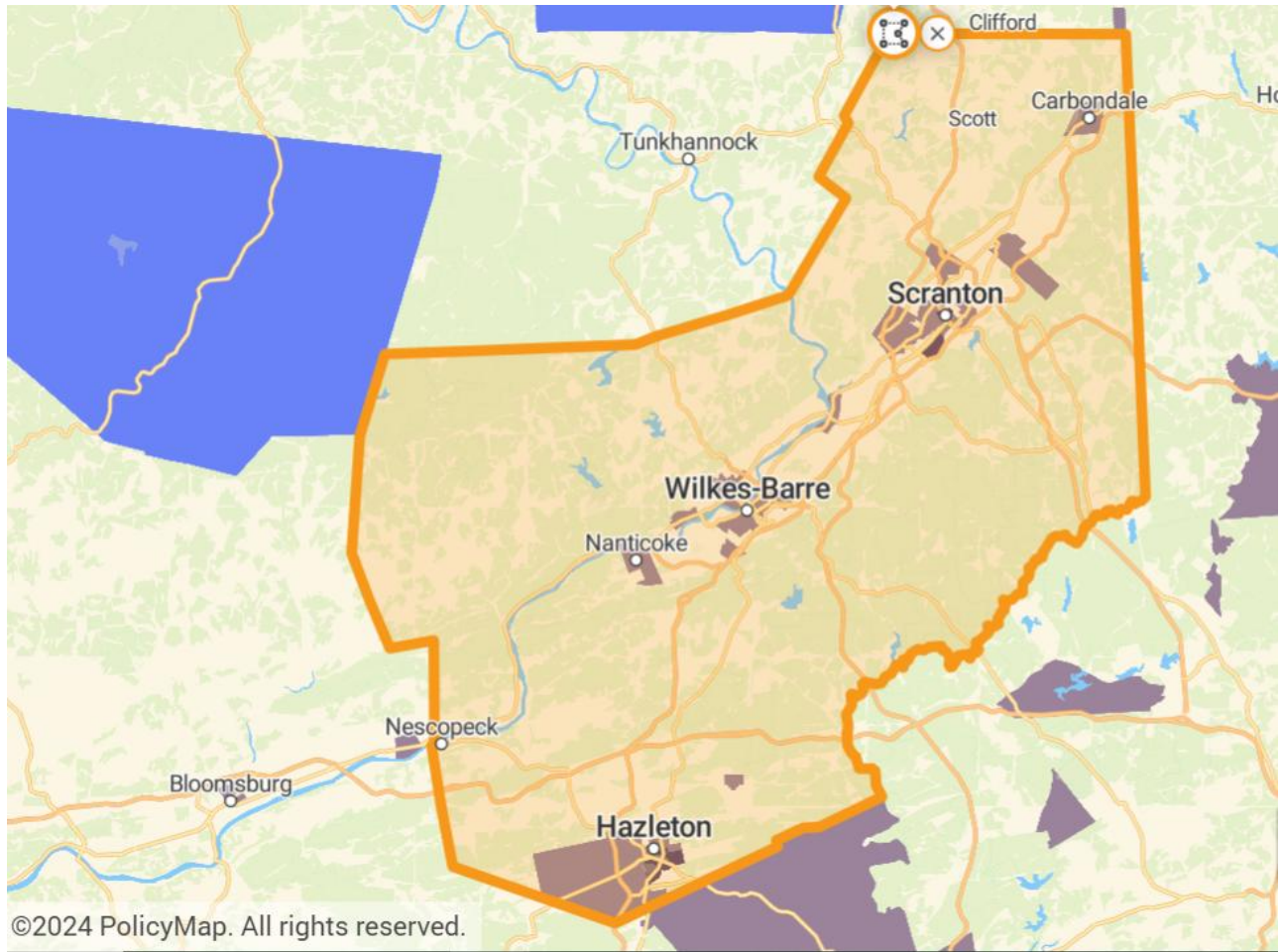
MSA/MD: 42540 - SCRANTON-WILKES-BARRE, PA

State: 42 - PENNSYLVANIA (PA)

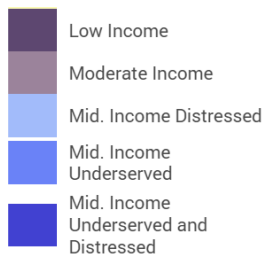
County: 069 - LACKAWANNA COUNTY; Tract: ALL TRACTS (60)

County: 079 - LUZERNE COUNTY; Tract: ALL TRACTS (101)

Geographies (Census Tracts)					
Low #, %	Moderate #, %	Middle #, %	Upper #, %	Unknown #, %	AA Total #, %
5 3.11%	47 29.19%	73 45.34%	35 21.74%	1 0.62%	161 100.00%



Income Levels



A List of Tracts and Income Level by County

ASSESSMENT AREA COUNTY-CODE-MSA	FIDELITY BANK ASSESSMENT AREA NAME	TRACT CODE	TRACT INCOME LEVEL
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1002.00	Low
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1003.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1004.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1005.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1006.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1008.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1009.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1010.00	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1011.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1012.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1013.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1014.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1016.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1017.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1018.00	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1019.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1020.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1021.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1022.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1023.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1025.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1026.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1027.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1028.00	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1029.00	Low
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1030.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1031.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1101.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1102.01	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1102.02	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1103.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1104.01	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1104.02	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1104.03	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1105.00	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1106.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1107.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1108.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1109.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1110.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1111.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1112.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1113.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1114.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1115.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1116.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1117.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1118.01	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1118.02	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1120.00	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1121.00	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1122.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1123.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1124.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1125.00	Moderate
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1126.00	Middle
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1127.00	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1128.00	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1129.01	Upper
LACKAWANNA-69-42540	Scranton-Wilkes Barre, PA MSA	1129.02	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2001.00	Moderate

LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2151.00	Moderate
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2152.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2153.00	Upper
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2154.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2155.01	Upper
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2155.02	Upper
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2155.03	Upper
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2155.04	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2156.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2157.01	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2157.02	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2158.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2159.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2161.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2162.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2164.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2165.01	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2165.02	Upper
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2166.01	Upper
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2166.02	Upper
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2167.00	Moderate
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2168.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2169.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2170.01	Moderate
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2170.02	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2171.00	Moderate
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2172.00	Low
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2173.00	Middle
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2174.00	Low
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2175.00	Moderate
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2176.00	Low
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2177.00	Moderate
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2178.00	Moderate
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2179.00	Moderate
LUZERNE-79-42540	Scranton-Wilkes Barre, PA MSA	2180.00	Middle

Source: <https://www.ffiec.gov/census/default.aspx>

HOME MORTGAGE DISCLOSURE ACT (HMDA) AND COMMUNITY REINVESTMENT ACT (CRA) STATEMENTS

Electronic Statements

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. These data, as modified by the Bureau to protect applicant and borrower privacy, may be obtained online at the Consumer Financial Protection Bureau's website www.consumerfinance.gov/hmda. *HMDA data for many other financial institutions are also available at this website.*

The CRA data about our small business organizations are available online for review and can be obtained online at the Federal Financial Institutions Examination Council's website.

<https://www.ffiec.gov/craadweb/disclhelp.htm#2>

Electronic Copies

Per 12 CFR 345.43(c)(1), Fidelity Deposit & Discount Bank maintains an electronic copy of the complete Public File on its website, www.bankatfidelity.com, titled CRA Public File. This is available to the public at all times and may also be requested from branch personnel.

PUBLIC DISCLOSURE

January 9, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Fidelity Deposit and Discount Bank
Certificate Number: 11868

101 N. Blakely Street
Dunmore, Pennsylvania 18512

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, New York 10118

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 this 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 RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect excellent responsiveness to assessment area credit needs.
- A high percentage of loans are made in the bank’s assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different size.
- The bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or small businesses, consistent with safe and sound banking practices.
- The bank makes limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank has made a relatively high level of community development loans.

The Investment Test is rated High Satisfactory.

- The bank has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely

- provided by private investors.
- The bank exhibits good responsiveness to credit and community economic development needs.
 - The bank occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are accessible to essentially all portions of the assessment areas.
- The bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly low- and moderate-income geographies and/or individuals.
- Services do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The bank provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

Background

Headquartered in Dunmore, Pennsylvania (PA), The Fidelity Deposit and Discount Bank (Fidelity) operates in the northeastern part of PA, with branches in Lackawanna, Luzerne, and Northampton Counties. Fidelity is a state-chartered financial institution operating under Fidelity D & D Bancorp, Inc., a one-bank holding company. Fidelity received a Satisfactory rating at its previous Federal Deposit Insurance Corporation (FDIC) evaluation, dated March 26, 2020, based on Intermediate Small Institution Examination Procedures.

Operations

Fidelity operates 22 branch offices in PA; 8 are in Lackawanna County, 7 are in Luzerne County, and 7 are in Northampton County. Fidelity acquired two financial institutions since the previous evaluation. In May 2020, Fidelity acquired Merchants Bank of Bangor (Merchants), a \$408.9 million bank headquartered in Bangor, Northampton County, PA. Subsequently in July 2021, Fidelity acquired Landmark Community Bank (Landmark), a \$354.6 million bank headquartered in Pittston, Luzerne County, PA. The acquisitions resulted in the bank expanding its retail services through seven new branches in Northampton County and three new branches in Luzerne County. During the evaluation period, the bank closed four branches. Except for the acquired branches, Fidelity did not open any branches during the evaluation period.

Fidelity offers loan products including home mortgages, commercial, and automobile, with a primary focus on home mortgage loans. Residential mortgage lending represents the bank's largest loan product by dollar volume, with secured 1-4 family residential accounting for 36.7 percent of the portfolio. The institution also provides a variety of deposit products including personal checking and savings accounts, and business checking and savings accounts.

Ability and Capacity

Bank assets totaled \$2.4 billion as of September 30, 2022, which included total loans of \$1.5 billion and securities totaling \$635.8 million. Bank deposits totaled \$2.3 billion. Since the prior evaluation, the bank experienced substantial asset growth due to the bank acquisitions, having increased by 138.8 percent. The following table illustrates the loan portfolio as of September 30, 2022.

Loan Portfolio Distribution as of 9/30/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	63,873	4.2
Secured by Farmland	1,162	0.1
Secured by 1-4 Family Residential Properties	560,585	36.7
Secured by Multifamily (5 or more) Residential Properties	29,324	1.9
Secured by Nonfarm Nonresidential Properties	472,519	31.0
Total Real Estate Loans	1,127,463	73.9
Commercial and Industrial Loans	134,563	8.8
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	141,406	9.3
Obligations of State and Political Subdivisions in the U.S.	89,491	5.9
Other Loans	1,239	0.1
Lease Financing Receivable (net of unearned income)	30,733	2.0
Total Loans	1,524,895	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal or other impediments that affect the bank's ability to meet assessment areas credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The Community Reinvestment Act (CRA) requires each financial institution to define one or more assessment areas within which its supervisory agency will evaluate its CRA performance. Fidelity designates two assessment areas within PA. One assessment area includes all of the Scranton-Wilkes-Barre, PA Metropolitan Statistical Area (Scranton MSA), and the second assessment area includes a portion of the Allentown-Bethlehem-Easton, PA-New Jersey (NJ) MSA (Allentown MSA). Collectively, examiners refer to these two assessment areas as the combined assessment area.

In May 2020, the bank expanded its assessment area to include a portion of the Allentown MSA, due to its acquisition of Merchants.

Economic Data

During the evaluation period, the unemployment rates within the combined assessment area varied from a high of 18.0 percent in Luzerne County (April 2020) to a low of 3.2 percent in Northampton County (October 2022). For every county within the combined assessment area, unemployment rates peaked in April 2020, but reached their lowest levels in October 2020. In 2020, the COVID-19 pandemic resulted in heightened unemployment rates. The following table summarizes unemployment data from the Bureau of Labor Statistics at county, state, and national levels.

Unemployment Rates			
Area	2020	2021	2022 YTD
	%	%	%
Lackawanna County, PA	8.3	4.7	3.7
Lehigh County, PA	8.1	4.5	3.4
Luzerne County, PA	10.0	5.8	4.3
Northampton County, PA	7.1	4.1	3.2
Wyoming County, PA	7.5	4.5	3.6
State of PA	7.7	5.5	4.0
National Average	6.7	3.9	3.7

Source: Bureau of Labor Statistics (Year End). YTD 2022 figures are as of October 2022.

Please refer to the individual assessment area sections for further details of each rated area.

Community Contact

As part of the evaluation process, examiners contact third-parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

Examiners reviewed one existing contact recently completed for a non-profit entity located in Luzerne County. The organization facilitates funding to non-profit groups across Northeastern

Pennsylvania, with a focus on Luzerne County. The contact stated that the area housing stock is aging and under/in need of renovation. The contact identified affordable housing needs in the area, as rents have been increasing. Although the contact indicated that jobs are widely available, they identified need for economic development through lending to small businesses, especially for start-up entities. The contact noted opportunities to address economic development needs through local government accelerator programs.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing credit products and small business loans represent primary credit needs of the combined assessment area. Economic factors such as the high percentage of low- and moderate-income households (reflecting more than 40.0 percent in each assessment area), the relatively high median housing values, and the high percentage of businesses with GARs of \$1.0 million or less, support this conclusion.

Fidelity's combined assignment area presents many opportunities for community development activities. The Financially Distressed Municipalities Act (Act 47) of the PA Department of Community and Economic Development designated the City of Scranton and the City of Hazleton as financially distressed. While the designation for Hazleton remains active, the Department rescinded Scranton's designation in January 2022, reflecting financial improvement in that municipality. The negative effects of the COVID-19 pandemic present additional community development opportunities.

According to the websites of PA state and local governments, the bank's combined assessment area includes designated geographies that present community development opportunities. For example, the City of Bethlehem is a designated Enterprise Zone and a Local Economic Revitalization Tax Assistance (LERTA) District. Furthermore, Northampton, Luzerne, Lehigh, and Lackawanna Counties all include Enterprise Zones. LERTA was created to allow local taxing authorities the ability offer tax abatements, in an effort to promote the redevelopment of aging and/or deteriorating properties. Enterprise Zones were created to revitalize distressed or deteriorated industrial and manufacturing areas by attracting new businesses and creating jobs.

Please refer to the individual assessment areas for additional details.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated March 26, 2020, to the current evaluation, dated January 9, 2023. Examiners used the FFIEC Large Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include the Lending Test, Investment Test, and Service Test. Please see the Appendices for complete description of these tests.

Examiners conducted a full-scope review of the bank's performance in each of its assessment areas. The Scranton MSA assessment area received the greatest weight when determining the overall rating, as this area accounted for a majority of the bank's loans, deposits, and branch office locations.

Activities Reviewed

Examiners determined Fidelity's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy, as well as the number and dollar volume of loans originated during the evaluation period. While the volume of small business loan originations slightly exceeded that of home mortgage during the review period, examiners gave greater weight to home mortgage lending when forming overall conclusions. This is because a significant volume of small business loans originated in 2020 and 2021 were Paycheck Protection Program (PPP) loans, which is a short-term loan product offered through, and forgiven by, the United States Small Business Administration (SBA) in response to the COVID-19 pandemic. The bank did not originate any small farm loans during the review period. No other loan types, such as consumer or other real estate secured loans, represent a major product line.

Examiners reviewed home mortgage loans reported on the bank's 2020 and 2021 Home Mortgage Disclosure (HMDA) loan application registers (LARs). Fidelity originated 1,361 loans totaling \$277.7 million in 2020 and 1,380 loans totaling \$328.4 million in 2021. Included in the 2020 home mortgage loans are 29 loans totaling \$5.1 million originated by Merchants, and 167 loans totaling \$24.9 million originated by Landmark. Furthermore, included in the 2021 home mortgage loans are 85 loans totaling \$15.1 million originated by Landmark. Examiners also reviewed small business loans reported on the bank's 2020 and 2021 CRA loan registers. Fidelity originated 1,690 loans totaling \$140.7 million in 2020 and 1,299 loans totaling \$138.8 million in 2021. The bank's 2020 and 2021 small business loans did not include loans originated by the acquired banks, as these banks were not required to collect small business loan data due to their asset size.

For the bank's 2020 and 2021 performance under the geographic distribution and borrower profile criteria, examiners compared the bank's home mortgage lending to aggregate data and 2015 American Community Survey (ACS) demographic data. Market share data relating to Fidelity's performance is solely based on loan data submitted by Fidelity and does not include loans originated by the acquired banks. For 2020 and 2021 small business lending performance under the same criteria, examiners compared the bank's performance to 2020 aggregate data and D&B

business demographic data. Although this evaluation presents the number and dollar volume of loans, examiners emphasized performance by number because number of loans is a better indicator of the number of individuals and businesses served.

Bank management provided information on community development loans, innovative or flexible loan programs, qualified investments, and retail and community development services since the prior CRA evaluation dated March 26, 2020.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank's overall Lending Test performance is rated "High Satisfactory." Fidelity's excellent performance under the Lending Activity criterion and good performance under the Assessment Area Concentration, Borrower Profile, and Community Development Loans criteria supports this rating. Fidelity's overall performance was generally consistent across the Scranton MSA and Allentown MSA assessment areas.

This section presents the institution's overall performance under the Lending Test. Separate presentations for the individual assessment areas are included in subsequent sections.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs. Examiners considered the institution's size, loan portfolio composition, and competition level. Fidelity's excellent lending performance in the Scranton MSA assessment area supports this conclusion.

Home Mortgage Loans

Within the combined assessment area, the bank originated or purchased 1,193 home mortgage loans totaling \$229.9 million in 2020 and 1,140 home mortgage loans totaling \$248.7 million in 2021. This volume is significantly higher to the volume of home mortgage loans the bank made during the prior review period. During that review period and within its Scranton assessment area, the bank originated or purchased 390 home mortgage loans totaling \$57.6 million in 2017, 452 home mortgage loans totaling \$66.1 million in 2018, and 462 home mortgage loans totaling \$72.9 million in 2019. The bank's acquisitions of Merchants Bank of Bangor and Landmark Community Bank primarily contributed to the increase in home mortgage lending during this review period.

Small Business Loans

Within the combined assessment area, the bank originated 1,567 small business loans totaling \$126.9 million in 2020 and 1,174 small business loans totaling \$117.8 million in 2021. This volume is significantly higher to the volume of small business loans the bank made during the prior review period. During that review period and within its Scranton assessment area, the bank originated 254 small business loans totaling \$34.9 million in 2017, 215 small business loans totaling \$27.4 million in 2018, and 230 small business loans totaling \$37.6 million in 2019. The bank's participation in SBA's PPP primarily contributed to the increase in small business lending during this review period. In 2020, the bank originated 1,681 PPP loans totaling \$201.7 million that were included as small business loans in the combined assessment area. In 2021, the bank originated 1,238 PPP loans totaling \$192.8 million that were included as small business loans in the combined assessment area.

Refer to the Lending Activity criterion under each assessment area for additional information.

Assessment Area Concentration

A high percentage of loans are made in the bank's assessment areas. The following table presents, by number and dollar volume, home mortgage and small business loans made inside and outside the combined assessment area.

Lending Inside and Outside of the Combined Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	1,193	87.7	168	12.3	1,361	229,907	82.8	47,751	17.2	277,658
2021	1,140	82.6	240	17.4	1,380	248,742	75.7	79,653	24.3	328,394
Subtotal	2,333	85.1	408	14.9	2,741	478,648	79.0	127,404	21.0	606,052
Small Business										
2020	1,567	92.7	123	7.3	1,690	126,876	90.2	13,797	9.8	140,673
2021	1,174	90.4	125	9.6	1,299	117,787	84.8	21,042	15.2	138,829
Subtotal	2,741	91.7	248	8.3	2,989	244,663	87.5	34,839	12.5	279,502
Total	5,074	88.6	656	11.4	5,730	723,311	81.7	162,243	18.3	885,554
<i>Source: Bank Data. Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. Fidelity’s adequate geographic distribution of home mortgage and small business loans in the Scranton MSA and Allentown MSA assessment areas supports this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different incomes levels and business customers of different size. The bank’s good performance of lending to low- and moderate-income borrowers in the Scranton MSA assessment area primarily supports this conclusion.

Innovative or Flexible Lending Practices

The bank makes limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs. The following table details the number and dollar volume of loans originated through innovative or flexible lending programs during the evaluation period:

Innovative or Flexible Lending Programs								
Type of Program	3/26/2020 – 12/31/2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Residential Loan Programs								
HomeReady	16	1,828	20	2,796	7	882	43	5,506
First Front Door	1	127	0	0	0	0	1	127
Caliber Loans (FHA)	9	1,369	0	0	0	0	9	1,369
Subtotals	26	3,324	20	2,796	7	882	53	7,002
Commercial Loan Programs:								
SBA 7(a)	9	2,647	26	8,140	11	3,237	46	14,024
SBA 504	0	0	0	0	1	1,240	1	1,240
SBA PPP	1,548	156,360	1,299	98,423	0	0	2,847	254,783
Banking on Business	1	94	0	0	1	200	2	294
Subtotals	1,558	159,100	1,325	106,563	13	3,438	2,896	269,101
Totals	1,584	162,424	1,345	109,360	20	4,320	2,949	276,103
<i>Source: Bank Data</i>								

The following list highlights Fidelity’s innovative and flexible lending programs.

- *HomeReady*: HomeReady is a loan program offered through the Federal National Mortgage Corporation (Fannie Mae) that benefits low- and moderate-income creditworthy borrowers. The advantages of this loan program are a lower qualifying credit score of 620, a low down payment of three percent, reduced mortgage insurance costs, competitive pricing, and flexible funding. Additionally, borrowers may use grants as sources of funds for down payment and closing costs.
- *First Front Door*: First Front Door is a loan program offered through the Federal Home Loan Bank (FHLB) of Pittsburgh that provides grants to qualified first-time homebuyers by matching down payment and closing costs 3-to-1. For every \$1 the homebuyer contributes, the FHLB will provide \$3 in grant assistance up to \$5,000. To qualify, the borrower must be a first-time homebuyer, have household income at or below 80.0 percent of the area median income, and complete at least four hours of homeownership counseling.
- *Caliber Loans / Federal Housing Administration (FHA)* – The bank offers FHA loans through its business relationship with Caliber Home Loans, a mortgage lender based in Texas. The program assists qualified borrowers who have limited down payment funds and maintain marginal to average credit.
- *Small Business Administration*: The bank remains a certified lender with the SBA and participated in the following loan guarantee programs:

- o 7(a) Loan Program – This loan program helps entrepreneurs start or expand their small businesses, whose annual sales are \$5.0 million or less and/or do not exceed \$6.0 million in tangible net worth.
 - o 504 Loan Program – This economic development program offers small business financing while promoting job growth and creating jobs. The 504/Certified Development Company (CDC) Program provides proven small businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings.
 - o Paycheck Protection Program (PPP) – In response to the COVID-19 pandemic, the PPP loans helped businesses and organizations with expenses related to payroll, rent, and utilities.
- *Banking on Business (BOB)*: The FHLB of Pittsburgh’s BOB funding helps eligible small businesses that lack sufficient equity or cash flow meet lending standards. The FHLB funds these loans, while Fidelity provides the servicing. The bank can also provide secondary funding up to \$200,000.

In response to the COVID-19 pandemic, Fidelity allowed homeowners to temporarily pause or reduce their mortgage payments under the federal government’s Coronavirus Aid, Relief, and Economic Security Act (CARES Act) mortgage forbearance program. For most borrowers experiencing pandemic-related financial hardship, the bank did not charge additional fees, penalties, or interest beyond scheduled amounts. The bank honored 149 CARES Act forbearance requests during the evaluation period.

Community Development Loans

Fidelity has made a relatively high level of community development loans. During the evaluation period, the bank originated 50 community development loans totaling \$47.4 million. This level of activity represents 2.4 percent of average total assets and 3.8 percent of average total loans since the previous evaluation. These ratios are similar to those at the prior evaluation, when community development loans represented 2.9 percent of average total assets and 3.9 percent of average total loans. The volume of community development loans increased significantly since the previous evaluation, when the institution originated 11 such loans totaling \$26.1 million. The higher level of activity reflects increased capacity and community development opportunities for Fidelity based on growth in asset size, acquisitions, and participation in the SBA’s PPP. The bank also compares favorably to similarly situated institutions, including those with comparable asset size and assessment area delineations.

The following table illustrates the bank’s community development lending activity by assessment area and purpose. For additional details on community development loans, please refer to the individual assessment area sections.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Scranton, PA MSA	0	0	4	5,151	1	1,240	22	13,317	27	19,708
Allentown, PA MSA	0	0	2	2,000	1	1,250	20	24,465	23	27,715
Total	0	0	6	7,151	2	2,490	42	37,782	50	47,423
<i>Source: Bank Data.</i>										

INVESTMENT TEST

The bank’s overall Investment Test performance is rated “High Satisfactory.” Fidelity’s good performance under the Investment Activity, Responsiveness to Credit and Community Development Needs, and Community Development Initiatives criteria supports this rating. Fidelity’s overall performance was generally consistent across both assessment areas.

This section presents the institution’s overall performance under the Investment Test. Separate presentations for the individual assessment areas are included in subsequent sections.

Investment and Grant Activity

Fidelity has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The bank made 341 qualified investments totaling \$8.1 million during the evaluation period. This volume includes three new qualified investments totaling \$3.7 million, two prior period investments still outstanding totaling \$1.0 million, 168 educational improvement tax credits (EITCs) totaling \$2.7 million, and 168 donations totaling \$682,853. Qualified investments equate to 0.4 percent of average total assets and 1.6 percent of average total securities since the prior evaluation. Fidelity’s volume of qualified investments increased since the prior evaluation. At the prior evaluation, the bank had 122 qualified investments totaling \$5.2 million. This amount equated to 0.6 percent of average total assets and 3.2 percent of average total securities at that evaluation.

Of the qualified investments, 11 totaling \$5.1 million benefit either both assessment areas collectively or the statewide and regional area. These investments included 5 mortgage-backed securities (MBSs) totaling \$4.7 million, 5 EITCs totaling \$406,000, and 1 donation totaling \$5,000. The following table illustrates the bank’s qualified investment activity by assessment area and purpose.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Scranton, PA MSA	1	1	193	2,213	16	63	11	110	221	2,387
Allentown, PA MSA	0	0	94	428	5	11	10	181	109	620
Statewide/Regional	5	4,721	5	406	1	5	0	0	11	5,132
Total	6	4,722	292	3,047	22	79	21	291	341	8,139
<i>Source: Bank Data</i>										

The following is a sample of qualified investments that benefit the statewide or regional area.

- In 2020, the bank purchased a \$1.2 million MBS. Nine loans secured by single-family residential properties collateralize the MBS; all originated to low- and moderate-income borrowers in Lehigh, Luzerne, and Northampton Counties. This security collectively supports affordable housing in both assessment areas.
- In 2022, the bank purchased a \$1.2 million MBS. Seven loans secured by single-family residential properties collateralize the MBS; all originated to low- and moderate-income borrowers in Lehigh, Luzerne, and Northampton Counties. This security collectively supports affordable housing in both assessment areas.
- During the evaluation period, the bank made 168 contributions totaling \$2.7 million to 70 eligible non-profit organizations through the PA EITC program. Organizations under this program include scholarship, educational improvement, and pre-kindergarten scholarship organizations. The organizations support community development by providing community services and programs to support low- and moderate-income persons and families in the assessment area and broader regional and statewide area. The following is a sample of EITCs that benefit the statewide or broader area:
 - o During the evaluation period, the bank purchased three EITCs totaling \$375,000 that support an organization that administers EITC contributions to eligible non-profit organizations and eligible students from low- and moderate-income households throughout PA. This organization provides community development services in the assessment area.
 - o In 2020, the bank purchased a \$30,000 EITC that benefitted an organization that supports financial literacy throughout PA. The non-profit organization promotes financial literacy to young people in order to reduce and eliminate poverty, particularly in rural areas of PA.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community economic development needs. Fidelity continues to obtain equity investments and make a high volume of EITCs and donations that primarily support community development services in the assessment areas. The qualified investments are assisting in addressing the needs identified by bank management.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. Fidelity's investments include CRA-qualified MBSs, EITCs, and donations.

SERVICE TEST

The bank's overall Service Test performance is rated "High Satisfactory." Fidelity's good performance under each Service Test criterion supports this rating. The bank's overall performance was generally consistent across both assessment areas.

This section presents the institution's overall performance under the Service Test. Separate presentations for the individual assessment areas are included in subsequent sections.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of Fidelity's assessment areas. Fidelity operates 22 full-service branches and 35 automated teller machines (ATMs) across both assessment areas. Please refer to the individual assessment areas for additional details.

In addition to the physical access to branches and ATMs, the bank offers other alternative delivery systems that improve accessibility for its products and services for all geographies, including low- and moderate-income areas. These delivery systems include telephone banking, online banking, and mobile banking. Notably, Fidelity operates a call center with 24-hour, 7 days-a-week accessibility with automated call service to provide a full array of services.

Changes in Branch Locations

To the extent changes have been made, Fidelity's closing of branches during the evaluation period has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank closed four branch offices; three in the Scranton MSA assessment area and two in the Allentown MSA assessment area. Fidelity did not open any new branch offices during the evaluation period. Through the acquisitions of Merchants and Landmark, the bank gained 10 additional branch offices across both assessment areas. Please refer to the individual assessment areas for additional details.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Fidelity offers the same products and services at all its full-service branches. Every branch office features an ATM and night-deposit drop box. All branches, except for the Easton Office, have a coin-counting machine. Business hours are generally consistent among all branches. Generally, lobby hours are Monday through Friday from 9:00 a.m. to 5:00 p.m., and Saturdays from 9:00 a.m. to 1:00 p.m. A majority of the branches offer drive-through services providing extended hours.

Community Development Services

Fidelity provides a relatively high level of community development services. During the evaluation period, Fidelity’s directors, senior officers, managers, and employees provided 82 instances of qualified community development services. This included 80 instances to 35 non-profits and organizations directly serving the bank’s assessment areas, and 2 instances to an organization serving the larger regional area. This is an increase from the prior evaluation period of 78 instances of qualified community development service. The following table illustrates the bank’s community development service instances by assessment area and purpose.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Scranton, PA MSA	2	28	22	0	52
Allentown, PA MSA	0	5	16	7	28
Statewide/Regional	0	0	2	0	2
Total	2	33	40	7	82

Source: Bank Data

The bank’s qualified community development services also included activities that benefitted the broader regional area. In 2021 and 2022, a senior bank officer served as a committee member assisting with technical assistance on financial matters and fundraising for a non-profit organization serving the broader Northeast PA. This organization provides PA organizations and businesses with non-partisan, data-driven information and insight through technical assistance, consulting services, independent research, and civic education, which is key for economic development.

Please refer to the individual assessment areas for community development services specific to that area.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

SCRANTON - WILKES-BARRE, PA MSA ASSESSMENT AREA – Full-Scope Review

CRA RATING FOR SRANTON – WILKES-BARRE, PA MSA ASSESSMENT AREA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN SCRANTON - WILKES-BARRE, PA MSA ASSESSMENT AREA

Economic and Demographic Data

There are 170 census tracts within the assessment area. The tracts reflect the following income designations according to 2015 ACS data:

- 6 low-income census tracts,
- 42 moderate-income census tracts,
- 87 middle-income census tracts,
- 33 upper-income census tracts, and
- 2 census tracts with no income designation.

The following table presents select demographic data for the assessment area:

Demographic Information of the Scranton - Wilkes-Barre, PA MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	170	3.5	24.7	51.2	19.4	1.2
Population by Geography	561,701	3.2	20.5	52.2	23.6	0.5
Housing Units by Geography	258,782	3.1	20.3	54.5	21.8	0.4
Owner-Occupied Units by Geography	152,184	1.6	14.2	56.5	27.5	0.0
Occupied Rental Units by Geography	72,436	6.0	31.3	48.8	12.9	1.0
Vacant Units by Geography	34,162	3.0	24.1	57.4	14.9	0.6
Businesses by Geography	51,264	2.8	19.4	51.2	24.6	2.1
Farms by Geography	1,182	1.8	10.4	54.1	33.5	0.3
Family Distribution by Income Level	141,530	21.3	17.6	20.5	40.6	0.0
Household Distribution by Income Level	224,620	25.1	15.9	16.9	42.2	0.0
Median Family Income - 42540 Scranton--Wilkes-Barre, PA MSA		\$59,887	Median Housing Value			\$130,472
Families Below Poverty Level		11.1%	Median Gross Rent			\$710

Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

There are 258,782 housing units in the assessment area. Of these units, 58.8 percent are owner-occupied, 28.0 percent are rental occupied, and 13.2 percent are vacant. The geographic distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. As reflected in the table above, only 1.6 percent of owner-occupied housing units are located in low-income census tracts. Likewise, just 14.2 percent of the assessment area's owner-occupied housing units are in moderate-income tracts. This distribution reflects limited opportunities to originate home mortgage loans in low- and moderate-income census tracts in the assessment area.

Examiners used 2020 and 2021 FFIEC-updated median family income (MFI) data to analyze home mortgage loans under the borrower profile criterion. The following table shows MFI ranges for the Scranton MSA assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Scranton - Wilkes-Barre, PA MSA Median Family Income (42540)				
2020 (\$71,700)	<\$35,850	\$35,850 to <\$57,360	\$57,360 to <\$86,040	≥\$86,040
2021 (\$70,600)	<\$35,300	\$35,300 to <\$56,480	\$56,480 to <\$84,720	≥\$84,720

Source: FFIEC

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. According to 2021 D&B data, there were

51,264 non-farm businesses in the assessment area. These businesses have the following GAR characteristics:

- 86.5 percent had GARs of \$1.0 million or less;
- 4.0 percent had GARs of more than \$1.0 million; and
- 9.5 percent had unreported GARs.

Service industries represent the largest share of total businesses in the assessment area at 37.2 percent, followed by non-classifiable establishments (16.0 percent), retail trade (14.7 percent), and finance, insurance, and real estate (10.3 percent). Most businesses have four or fewer employees (64.9 percent) and operate at a single location (90.5 percent). This information reflects the potential demand for, and the opportunity to originate, small business loans in the assessment area.

According to Moody's Analytics, several of the top employers in the assessment area include Geisinger Health System, Community Health Systems, Proctor & Gamble, Mohegan Sun at Pocono Downs, and Wilkes-Barre VA Medical Center.

Competition

The bank's assessment area reflects a highly competitive market for financial services. According to the June 30, 2022 FDIC Deposit Market Share Data, 21 financial institutions operated 181 full-service offices in the assessment area. Of these institutions, Fidelity ranked 2nd with a 10.1 percent deposit market share. The 1st and 3rd ranked institutions based on deposit market share included PNC Bank, National Association (NA) (25.1 percent) and Peoples Security Bank and Trust Company (8.7 percent).

There is also a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. Based on 2021 peer mortgage data, 431 lenders originated or purchased 19,384 home mortgage loans. Of these lenders, Fidelity ranked 2nd by number of originations and purchases capturing 4.4 percent of total market share. The 1st and 3rd top mortgage lenders in the assessment area included Rocket Mortgage (8.1 percent) and Wells Fargo Bank, NA (4.1 percent).

There is a moderate high level of competition for small business loans among lenders in the assessment area. Based on 2020 peer small business data, 126 lenders originated or purchased 11,348 small business loans. Of these lenders, Fidelity ranked 2nd by number of originations and purchases capturing 11.3 percent of total market share. The 1st and 3rd top small business lenders in the assessment area included American Express National Bank (11.9 percent) and Peoples Security Bank and Trust Company (7.9 percent).

CONCLUSIONS ON PERFORMANCE CRITERIA IN SCRANTON— WILKES-BARRE, PA MSA ASSESSMENT AREA

LENDING TEST

Fidelity demonstrated good performance under the Lending Test within the Scranton MSA assessment area. The bank's excellent performance in Lending Activity and good performance in Borrower Profile and Community Development Loans criteria support this conclusion.

Lending Activity

Lending levels reflect excellent responsiveness to the Scranton MSA assessment area credit needs considering the institution's size, loan portfolio composition, and competition level.

Home Mortgage Loans

Fidelity originated 1,043 home mortgage loans totaling \$198.3 million in 2020 and 907 loans totaling \$194.4 million in 2021. In 2021, Fidelity ranked 2nd out of 431 mortgage lenders operating within the assessment area with a 4.4 percent market share by number. The other top ranked lenders included mortgage corporations and large national banks.

Small Business Loans

Fidelity originated 1,287 small business loans totaling \$102.8 million in 2020 and 971 loans totaling \$96.1 million in 2021 in the assessment area. In 2020, Fidelity ranked 2nd out of 126 small business loan reporters operating within the assessment area with an 11.3 percent market share by number. Other top ranked lenders included business credit card lenders, large national banks, and another community bank.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. Fidelity's adequate performance of home mortgage and small business lending supports this conclusion. Examiners focused on the number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. As shown in the following table, the bank's performance in 2020 and 2021 in low-income census tracts was generally similar to aggregate and demographic data. The opportunity to lend in low-income census tracts is limited as only 1.6 percent of owner-occupied housing units are in low-income census tracts. The bank's performance in 2020 and 2021 in moderate-income census tracts significantly trailed aggregate and demographic data. While Fidelity's performance in moderate-income census tracts was below the aggregate and demographic data, the bank's market share of lending in such tracts was adequate. In 2021, Fidelity ranked 20th with a 1.7 percent market share out of 205 lenders that made loans in moderate-income census tracts in the assessment area.

Geographic Distribution of Home Mortgage Loans Scranton - Wilkes-Barre, PA MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	1.6	1.4	6	0.6	565	0.3
2021	1.6	1.5	10	1.1	1,125	0.6
Moderate						
2020	14.2	12.0	47	4.5	6,844	3.5
2021	14.2	13.6	53	5.8	7,342	3.8
Middle						
2020	56.5	51.4	559	53.6	90,917	45.8
2021	56.5	51.8	473	52.2	86,516	44.5
Upper						
2020	27.6	35.2	431	41.3	100,021	50.4
2021	27.6	33.0	371	40.9	99,419	51.1
Totals						
2020	100.0	100.0	1,043	100.0	198,346	100.0
2021	100.0	100.0	907	100.0	194,400	100.0

Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. As shown in the following table, the bank's performance in 2020 and 2021 in low-income census tracts slightly trailed demographic and 2020 aggregate data. The opportunity to lend in low-income census tracts in 2020 and 2021 is limited as only 2.7 percent and 2.8 percent of businesses, respectively, are located in such tracts. The bank's performance in 2020 and 2021 in moderate-income census tracts trailed demographic data and trailed 2020 aggregate data. While Fidelity's performance in low- and moderate-income census tracts was below the applicable demographic and aggregate data, the bank's market share of lending in such tracts was adequate. In 2020, Fidelity ranked 4th with a 5.8 percent market share out of 46 lenders that made loans in low-income census tracts in the assessment area. Furthermore in 2020, Fidelity ranked 3rd with an 8.9 percent market share out of 78 lenders that made loans in moderate-income census tracts in the assessment area.

Geographic Distribution of Small Business Loans						
Scranton - Wilkes-Barre, PA MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.7	2.4	16	1.2	1,841	1.8
2021	2.8	--	9	0.9	2,747	2.9
Moderate						
2020	19.2	17.8	179	13.9	13,413	13.0
2021	19.4	--	128	13.2	15,168	15.8
Middle						
2020	51.4	51.7	768	59.7	67,618	65.8
2021	51.2	--	570	58.7	60,341	62.8
Upper						
2020	24.7	26.5	310	24.1	18,973	18.4
2021	24.6	--	248	25.5	16,108	16.8
Not Available						
2020	2.2	1.5	14	1.1	991	1.0
2021	2.1	--	16	1.6	1,736	1.8
Totals						
2020	100.0	100.0	1,287	100.0	102,836	100.0
2021	100.0	--	971	100.0	96,100	100.0

Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different size. Fidelity's good performance of home mortgage lending supports this conclusion. Examiners focused on the number of home mortgage loans to low- and moderate-income borrowers and the number of small business loans to businesses with GAR of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is good. As shown in the following table for 2020 and 2021, the bank's penetration of home mortgage lending to low-income borrowers was below demographic and aggregate data. A low-income family in the assessment area may not likely qualify for a mortgage under conventional underwriting standards considering the median housing value of \$130,472. Therefore, the opportunities for lending to low-income families are limited. This helps explain the difference between the aggregate and bank's performance and the percentage of families at this

income level. For 2020 and 2021, the bank’s penetration of home mortgage loans to moderate-income borrowers also trailed demographic and aggregate data.

While the bank’s percentage of lending to both low- and moderate-income borrowers trailed aggregate percentage, the bank’s volume of loans to such borrowers, based on market share, reflects good performance. Of the 431 HMDA reporters that made loans in the assessment area in 2021, only 145 made loans to low-income borrowers. Fidelity ranked 10th among these lenders with a market share of 2.8 percent to low-income borrowers in 2021. With regard to lending to moderate-income borrowers, Fidelity ranked 9th out of 197 lenders with a market share of 3.0 percent in 2021. Overall, Fidelity was the top community lender that made loans to both low- and moderate-income borrowers, as all other top lenders included much larger national banks and mortgage corporations.

Distribution of Home Mortgage Loans by Borrower Income Level						
Scranton - Wilkes-Barre, PA MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	21.3	7.8	39	3.7	2,850	1.4
2021	21.3	8.2	44	4.9	5,077	2.6
Moderate						
2020	17.6	16.6	123	11.8	13,821	7.0
2021	17.6	18.0	116	12.8	13,146	6.8
Middle						
2020	20.5	20.4	222	21.3	31,743	16.0
2021	20.5	20.5	163	18.0	22,568	11.6
Upper						
2020	40.6	35.7	617	59.2	142,524	71.9
2021	40.6	34.4	539	59.4	142,350	73.2
Not Available						
2020	0.0	19.5	42	4.0	7,408	3.7
2021	0.0	18.9	45	5.0	11,259	5.8
Totals						
2020	100.0	100.0	1,043	100.0	198,346	100.0
2021	100.0	100.0	907	100.0	194,400	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of borrowers reflects adequate penetration among businesses of different sizes. As shown in the following table, the bank’s penetration of loans in 2020 and 2021 to businesses with GAR of \$1.0 million or less significantly trailed demographic and aggregate data. During the review period, the bank’s percentage of loans to businesses with revenue not available was high.

This is primarily due to the bank originating PPP loans in 2020 and 2021, as the collection of GAR information is not required on these loans. The 2020 aggregate data also includes PPP loans where the collection of GAR information was not required.

Examiners further analyzed the bank’s performance based on small business loans that were not PPP loans. In 2020 and 2021, the bank originated 55.7 percent and 52.4 percent of these loans, respectively, to businesses with GAR of \$1.0 million or less. The bank’s distribution of non-PPP small business loans to businesses with GAR of \$1.0 million or less is adequate.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Scranton - Wilkes-Barre, PA MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	85.7	31.7	112	8.7	16,521	16.1
2021	86.5	--	121	12.5	20,713	21.6
>\$1,000,000						
2020	4.4	--	89	6.9	17,587	17.1
2021	4.0	--	75	7.7	25,738	26.8
Revenue Not Available						
2020	9.9	--	1,086	84.4	68,728	66.8
2021	9.6	--	775	79.8	49,649	51.7
Totals						
2020	100.0	100.0	1,287	100.0	102,836	100.0
2021	100.0	--	971	100.0	96,100	100.0

Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%

Community Development Loans

The bank has made a relatively high level of community development loans. Fidelity originated 27 community development loans totaling \$19.7 million during the evaluation period that specifically benefit the Scranton MSA assessment area. The following table illustrates the bank’s community development lending activity by year and purpose.

Community Development Lending Scranton - Wilkes-Barre, PA MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/26/2020 – 12/31/2020	0	0	0	0	0	0	10	2,138	10	2,138
2021	0	0	0	0	0	0	11	1,179	11	1,179
2022	0	0	4	5,151	1	1,240	1	10,000	6	16,391
Total	0	0	4	5,151	1	1,240	22	13,317	27	19,708

Source: Bank Data.

The following is a sample of community development loans that benefit the assessment area.

- In 2020 and 2021, Fidelity originated 20 PPP loans totaling nearly \$1.5 million to non-profit organizations located in low- or moderate-income census tracts. The bank originated one additional PPP loan for nearly \$1.8 million to a business located in a low-income census tract. These loans revitalize or stabilize low- and moderate-income census tracts by supporting non-profits and businesses struggling during the COVID-19 pandemic.
- In 2022, the bank originated a \$10.0 million working capital loan to the City of Scranton. This loan supports the revitalization and stabilization of the area, as the bank made this loan in response to the Financially Distressed Municipalities Act (Act 47) of the PA Department of Community and Economic Development.
- In 2022, the bank made two loans totaling \$5.1 million to an area school district located in a moderate-income census tract. The school district provides educational community services to low- and moderate-income students, for which the vast majority are eligible to receive free and reduced lunch through the USDA.
- In 2022, the bank originated a \$1.2 million loan in partnership with the SBA 504 Certified Development Company program to a business located in Lackawanna County. Loans originated under this program support business growth by financing fixed assets. This loan supports economic development by creating 17 new jobs and by expanding commercial space to grow operations.

INVESTMENT TEST

Fidelity demonstrated good performance under the Investment Test within the Scranton MSA assessment area. The bank’s good performance in Investment and Grant Activity and Responsiveness to Credit and Community Development Needs criteria supports this conclusion.

Investment and Grant Activity

Fidelity has a significant level of qualified community development investments and grants. In addition to qualified investments that benefitted both assessment areas collectively, the bank made 221 qualified investments totaling \$2.4 million that specifically benefitted the assessment area. This includes 100 EITCs totaling \$2.0 million and 121 donations totaling \$425 thousand. The following table illustrates the bank’s qualified investment activity by investment type and purpose.

Qualified Investments Scranton—Wilkes-Barre, PA MSA Assessment Area										
Investment Type	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
EITCs	0	0	89	1,907	11	55	0	0	100	1,962
Grants & Donations	1	1	104	306	5	8	11	110	121	425
Total	1	1	193	2,213	16	63	11	110	221	2,387

Source: Bank Data

The following is a sample of qualified investments that benefit the assessment area.

- During the evaluation period, the bank purchased three EITCs totaling \$385,000 that supported an organization that primarily serves low- and moderate-income residents in Lackawanna County. The non-profit organization provides a wide range of needs to individuals and families, particularly those experiencing hardship through the COVID-19 pandemic. This tax credit supports community development services in the assessment area.
- During the evaluation period, the bank purchased three EITCs totaling \$360,000 that supported a religious organization located in a low-income census tract and serves residents within the lower income neighborhoods. The tax credits support scholarships to students of low- and moderate-income families.
- During the evaluation period, the bank provided \$75,000 in donations to a non-profit organization that serves individuals and students in Scranton. The organization’s mission is to empower people with the skills to become self-sufficient and enhance their lives through education, training, life-skills, and support services. This donation enhances community development services in the assessment area.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community economic development needs. Fidelity continues to obtain equity investments and make a high volume of EITCs and donations that primarily support community development services in the Scranton MSA assessment area. The qualified investments are assisting in addressing the needs identified by bank management.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. Fidelity’s investments include CRA-qualified MBSs, EITCs, and donations.

SERVICE TEST

Fidelity demonstrated good performance under the Service Test within the Scranton MSA assessment area. The bank’s good performance under each Service Test criterion supports this rating.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution’s assessment area. Fidelity operates 15 full-service branches and 35 ATMs (15 at branch locations and 20 additional ATMs within the community) throughout the Scranton MSA assessment area. The following table illustrates the distribution of branches and ATMs by tract income level.

Branch and ATM Distribution by Geography Income Level Scranton - Wilkes-Barre, PA MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	6	3.5	17,935	3.2	0	0.0	1	2.8
Moderate	42	24.7	115,266	20.5	5	33.3	10	28.6
Middle	87	51.2	293,006	52.2	6	40.0	16	45.7
Upper	33	19.4	132,562	23.6	4	26.7	8	22.9
NA	2	1.2	2,932	0.5	0	0.0	0	0.0
Total	170	100.0	561,701	100.0	15	100.0	35	100.0

Source: 2015 ACS Data; Bank Data

Fidelity currently has no branches in low-income census tracts. However, several of the branches are located near low-income neighborhoods and the bank operates an ATM in a low-income census tract. Additionally, the bank offers other alternative delivery systems that are accessible throughout all geographies including telephone banking, online banking, and mobile banking.

Changes in Branch Locations

Fidelity’s closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

During the evaluation period, the bank closed three branches within the Scranton MSA assessment area. In September 2021, the bank closed its Pittston branch (Luzerne County) and Minooka branch

(Lackawanna County). In September 2022, the bank closed its Dunmore branch (Lackawanna County). All were located in middle-income census tracts.

Through its July 2021 acquisition of Landmark, Fidelity gained three branches in Luzerne County. These branches are located in the City of Hazleton (middle-income census tract), Hazle Township (moderate-income census tract), and Wyoming (upper-income census tract).

Reasonableness of Business Hours and Services

Fidelity’s business hours and services do not vary in a way that inconvenience certain portions of the assessment area. Fidelity offers the same products and services at all 15 full-service branches. All branches have ATMs, night-deposit drop boxes, and coin-counting machines. Additionally, nearly all branches offer drive-thru services providing extended hours.

Community Development Services

Fidelity provides a relatively high level of community development services. During the evaluation period, the bank’s directors, senior officers, managers, and employees provided 52 instances of qualified community development service to 23 organizations serving the Scranton MSA assessment area. The following table illustrates the bank’s community development service instances by year and purpose.

Community Development Services Scranton - Wilkes-Barre, PA MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	1	11	3	0	15
2021	0	7	8	0	15
2022	1	10	11	0	22
Total	2	28	22	0	52
<i>Source: Bank Data</i>					

The following is a sample of community development services that benefit the assessment area.

- In 2020 and 2022, two senior bank officers served on the board of a non-profit organization whose mission is to provide affordable housing to low- and moderate-income families. This non-profit works with community partners to construct or rehab houses for affordable housing. As board members, these two bank officers provided their financial expertise and assisted with fundraising to achieve the non-profit’s mission.
- During the evaluation period, a senior bank officer volunteered with a non-profit organization that provides pro bono legal services by attorneys to the low- and moderate-income elderly in Lackawanna County. As a volunteer, this bank officer provided

community service by providing information on banking products and estate planning assistance.

- In 2022, a senior bank officer served on the board of a local community development corporation (CDC) whose mission is to contribute to economic development. This CDC assists small businesses with financing for fixed-asset projects, primarily through SBA's 504 Loan Program.

ALLENTOWN-BETHLEHEM-EASTON, PA-NJ MSA ASSESSMENT AREA– Full-Scope Review

CRA RATING FOR ALLENTOWN-BETHLEHEM-EASTON, PA-NY MSA: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ALLENTOWN- BETHLEHEM-EASTON, PA-NJ MSA ASSESSMENT AREA

Economic and Demographic Data

There are 99 census tracts within the assessment area. The tracts reflect the following income designations according to 2015 ACS data:

- 15 low-income census tracts,
- 26 moderate-income census tracts,
- 40 middle-income census tracts, and
- 18 upper-income census tracts

The following table presents select demographic data for the assessment area:

Demographic Information of the Assessment Area						
Allentown-Bethlehem-Easton, PA-NJ MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	99	15.2	26.3	40.4	18.2	0.0
Population by Geography	438,474	13.5	27.8	37.0	21.7	0.0
Housing Units by Geography	175,970	13.0	26.9	39.2	20.9	0.0
Owner-Occupied Units by Geography	104,586	5.4	20.6	45.2	28.7	0.0
Occupied Rental Units by Geography	58,049	23.8	37.6	29.9	8.6	0.0
Vacant Units by Geography	13,335	25.3	30.0	32.1	12.6	0.0
Businesses by Geography	42,830	12.9	24.9	37.0	25.2	0.0
Farms by Geography	979	4.3	13.4	54.7	27.6	0.0
Family Distribution by Income Level	109,480	25.2	18.3	20.9	35.5	0.0
Household Distribution by Income Level	162,635	27.4	16.9	18.4	37.3	0.0
Median Family Income - 10900 Allentown-Bethlehem-Easton, PA-NJ MSA		\$71,539	Median Housing Value			\$176,935
Families Below Poverty Level		10.6%	Median Gross Rent			\$925

Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

There are 175,970 housing units in the assessment area. Of these units, 59.4 percent are owner-occupied, 33.0 percent are rental occupied, and 7.6 percent are vacant. As previously stated, the geographic distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. The above table shows that only 5.4 percent of owner-occupied housing units are located in low-income census tracts. This distribution reflects limited opportunities to originate home mortgage loans in low-income census tracts in the assessment area. Furthermore, 20.6 percent of owner-occupied housing units are located in moderate-income census tracts.

The 2020 and 2021 FFIEC-updated MFI data to analyze home mortgage loans under the borrower profile criterion for the Allentown MSA assessment area is as follows:

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Allentown-Bethlehem-Easton, PA-NJ MSA Median Family Income (10900)				
2020 (\$80,400)	<\$40,200	\$40,200 to <\$64,320	\$64,320 to <\$96,480	≥\$96,480
2021 (\$84,900)	<\$42,450	\$42,450 to <\$67,920	\$67,920 to <\$101,880	≥\$101,880

Source: FFIEC

According to 2021 D&B data, there were 42,830 non-farm businesses in the assessment area. These businesses have the following GAR characteristics:

- 89.0 percent had GARs of \$1.0 million or less;
- 3.5 percent had GARs of more than \$1.0 million; and
- 7.5 percent had unreported GARs.

Service industries represent the largest share of total businesses in the assessment area at 38.1 percent, followed by non-classifiable establishments (18.0 percent), retail trade (12.4 percent), and finance, insurance, and real estate (9.8 percent). Most businesses have four or fewer employees (65.6 percent) and operate at a single location (92.3 percent). This information reflects the potential demand for, and the opportunity to originate, small business loans in the assessment area.

According to Moody's Analytics, several of the top employers in the Allentown MSA include Lehigh Valley Health Network, St. Luke's University Health Network, Sands Bethworks Gaming, LLC, Giant Food Stores, and Allied Personnel Services, Inc.

Competition

The bank's assessment area reflects a highly competitive market for financial services. According to the June 30, 2022 FDIC Deposit Market Share Data, 24 financial institutions operated 159 full-service offices in Lehigh and Northampton Counties collectively. Of these institutions, Fidelity ranked 11th with a 2.7 percent deposit market share. The top three institutions based on deposit market share was Wells Fargo Bank, NA (22.3 percent), Truist Bank (12.9 percent), and Fulton Bank, NA (8.9 percent).

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. Based on 2021 peer mortgage data, 491 lenders originated or purchased 20,334 home mortgage loans. Of these lenders, Fidelity ranked 26th by number of originations and purchases capturing 1.2 percent of total market share. The top three mortgage lenders in the assessment area included Rocket Mortgage (7.6 percent), Wells Fargo Bank, NA (6.5 percent), and Crosscountry Mortgage, LLC (3.8 percent).

There is a moderate high level of competition for small business loans among lenders in the assessment area. Based on 2020 peer small business data, 152 lenders originated or purchased 15,447 small business loans. Of these lenders, Fidelity ranked 15th by number of originations and purchases capturing 1.9 percent of total market share. The top three small business lenders in the assessment area included American Express National Bank (12.3 percent), Wells Fargo Bank, NA (9.5 percent), and PNC Bank, NA (5.9 percent).

CONCLUSIONS ON PERFORMANCE CRITERIA IN ALLENTOWN-BETHLEHEM-EASTON, PA-NJ MSA ASSESSMENT AREA

LENDING TEST

Fidelity demonstrated adequate performance under the Lending Test within the Allentown MSA assessment area. The bank's adequate performance in Geographic Distribution and Borrower Profile criteria supports this conclusion.

Lending Activity

Lending levels reflect good responsiveness to the Allentown MSA assessment area credit needs considering the institution's size, loan portfolio composition, and competition level.

Home Mortgage Loans

Fidelity originated 150 home mortgage loans totaling \$31.6 million in 2020 and 233 loans totaling \$54.3 million in 2021. In 2021, Fidelity ranked 26th out of 491 mortgage lenders operating within the assessment area with a 1.2 percent market share by number. The top ranked lenders included mortgage corporations and large national banks.

Small Business Loans

Fidelity originated 280 small business loans totaling \$24.0 million in 2020 and 203 loans totaling \$21.7 million in 2021 in the assessment area. In 2020, Fidelity ranked 15th out of 152 small business loan reporters operating within the assessment area with a 1.9 percent market share by number. The top ranked lenders included business credit card lenders, large national banks, and community banks.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. Fidelity's adequate performance of home mortgage and small business lending supports this conclusion. Examiners focused on the number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. As shown in the following table, the bank's performance in 2020 and 2021 in low-income census tracts trailed aggregate and demographic data. The opportunity to lend in low-income census tracts is limited as only 5.4 percent of owner-occupied housing units are in low-income census tracts. The bank's performance in 2020 and 2021 in moderate-income census tracts also trailed aggregate and demographic data. While Fidelity's performance in low- and moderate-income census tracts was below the aggregate and demographic data, the bank's market share of lending in such tracts was adequate. In 2021, Fidelity ranked 45th with a 0.5 percent market share out of 171 lenders that made loans in low-income census tracts in the assessment area. Within

moderate-income census tracts, the bank ranked 32nd with a 0.8 percent market share out of 275 lenders.

Geographic Distribution of Home Mortgage Loans						
Allentown-Bethlehem-Easton, PA-NJ MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	5.4	6.2	6	4.0	658	2.1
2021	5.4	6.2	6	2.6	909	1.7
Moderate						
2020	20.6	19.0	23	15.3	2,946	9.3
2021	20.6	21.5	34	14.6	6,411	11.8
Middle						
2020	45.2	43.3	58	38.7	11,968	37.9
2021	45.2	42.8	114	48.9	26,262	48.3
Upper						
2020	28.7	31.6	63	42.0	15,990	50.7
2021	28.7	29.5	79	33.9	20,759	38.2
Totals						
2020	100.0	100.0	150	100.0	31,561	100.0
2021	100.0	100.0	233	100.0	54,341	100.0

Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. As shown in the following table, the bank’s performance in 2020 and 2021 in low-income census tracts trailed demographic data and aggregate 2020 data. There is sufficient opportunity to lend in low-income census tracts in 2020 and 2021 as 12.3 percent and 12.9 percent of businesses, respectively, are located in such tracts. The bank’s performance in 2020 and 2021 in moderate-income census tracts improved and was similar to demographic data and 2020 aggregate data.

Geographic Distribution of Small Business Loans						
Allentown-Bethlehem-Easton, PA MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	12.3	9.5	9	3.2	472	2.0
2021	12.9	--	10	4.9	1,301	6.0
Moderate						
2020	24.8	23.5	65	23.2	3,993	16.6
2021	24.9	--	44	21.7	3,232	14.9
Middle						
2020	37.5	40.0	158	56.4	15,421	64.1
2021	37.0	--	113	55.7	12,277	56.6
Upper						
2020	25.4	26.9	48	17.1	4,154	17.3
2021	25.2	--	36	17.7	4,877	22.5
Totals						
2020	100.0	100.0	280	100.0	24,040	100.0
2021	100.0	--	203	100.0	21,687	100.0

Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects adequate penetration among retail customers of different income levels and business customers of different size. Fidelity's adequate performance of home mortgage and small business lending supports this conclusion. Examiners focused on the number of home mortgage loans to low- and moderate-income borrowers and the number of small business loans to businesses with GAR of \$1.0 million or less.

Home Mortgage Loans

As shown in the following table, the distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is adequate. For 2020 and 2021, the bank's penetration of home mortgage lending to low-income borrowers was below demographic and aggregate data. A low-income family in the assessment area may not likely qualify for a mortgage under conventional underwriting standards considering the median housing value of \$179,935. Therefore, the opportunities for lending to low-income families are limited. This helps explain the difference between the aggregate and bank's performance and the percentage of families at this income level. For 2020 and 2021, the bank's penetration of home mortgage loans to moderate-income borrowers also trailed demographic and aggregate data.

While the bank’s percentage of lending to both low- and moderate-income borrowers trailed aggregate percentage, the bank’s volume of loans to such borrowers, based on market share, reflects adequate performance. Of the 491 HMDA reporters that made loans in the assessment area in 2021, only 169 made loans to low-income borrowers. Fidelity ranked 43rd among these lenders with a market share of 0.6 percent to low-income borrowers in 2021. With regard to lending to moderate-income borrowers, Fidelity ranked 32nd out of 246 lenders with a market share of 0.8 percent in 2021. Many of the top lenders included much larger national banks and mortgage corporations.

Distribution of Home Mortgage Loans by Borrower Income Level						
Allentown-Bethlehem-Easton, PA MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	25.2	7.2	8	5.3	1,160	3.7
2021	25.2	8.9	10	4.3	1,140	2.1
Moderate						
2020	18.3	17.6	21	14.0	3,037	9.6
2021	18.3	19.7	31	13.3	4,263	7.8
Middle						
2020	20.9	20.4	32	21.3	5,985	19.0
2021	20.9	21.9	54	23.2	9,607	17.7
Upper						
2020	35.5	35.3	73	48.7	19,389	61.4
2021	35.5	31.4	123	52.8	35,623	65.6
Not Available						
2020	0.0	19.5	16	10.7	1,990	6.3
2021	0.0	18.2	15	6.4	3,708	6.8
Totals						
2020	100.0	100.0	150	100.0	31,561	100.0
2021	100.0	100.0	233	100.0	54,341	100.0

Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of borrowers reflects adequate penetration among businesses of different sizes. As shown in the following table, the bank’s penetration of loans in 2020 and 2021 to businesses with GAR of \$1.0 million or less significantly trailed demographic and aggregate data. Similar to its Scranton MSA assessment area, the bank’s percentage of loans to businesses with revenue not available was high due to the large volume of PPP loans that did not contain GAR information. The examiners further analyzed the bank’s performance based on small business loans that were not PPP loans. In 2020 and 2021, the bank originated 42.9 percent and 51.2 percent of these loans,

respectively, to businesses with GAR of \$1.0 million or less. The bank’s distribution of non-PPP small business loans to businesses with GAR of \$1.0 million or less is adequate.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Allentown-Bethlehem-Easton, PA-NJ MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	88.1	42.0	6	2.1	1,544	6.4
2021	89.0	--	22	10.8	4,394	20.3
>\$1,000,000						
2020	3.9	--	6	2.1	1,159	4.8
2021	3.5	--	8	3.9	3,640	16.8
Revenue Not Available						
2020	8.1	--	268	95.7	21,337	88.8
2021	7.5	--	173	85.2	13,653	63.0
Totals						
2020	100.0	100.0	280	100.0	24,040	100.0
2021	100.0	--	203	100.0	21,687	100.0

Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%

Community Development Loans

The bank has made a relatively high relatively high level of community development loans. Fidelity originated 23 community development loans totaling \$27.7 million during the evaluation period that specifically benefit the Allentown MSA assessment area. The following table illustrates the bank’s community development lending activity by year and purpose.

Community Development Lending										
Allentown-Bethlehem-Easton, PA-NJ MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/26/2020 – 12/31/2020	0	0	0	0	0	0	14	3,828	14	3,828
2021	0	0	0	0	0	0	5	2,079	5	2,079
2022	0	0	2	2,000	1	1,250	1	18,558	4	21,808
Total	0	0	2	2,000	1	1,250	20	24,465	23	27,715

Source: Bank Data.

The following is a sample of community development loans that benefit the assessment area.

- In 2020 and 2021, Fidelity originated 17 PPP loans totaling \$752,000 to non-profit organizations located in low- or moderate-income census tracts. The bank originated two additional PPP loans totaling \$5.1 million to businesses located in moderate-income census tracts. These loans revitalize or stabilize these census tracts by supporting non-profits and businesses struggling during the COVID-19 pandemic.
- In 2022, the bank provided an \$18.5 million loan to convert a vacant parking lot in a moderate-income census tract to a mixed-use complex containing 4 retail units and 75 apartment units. The property is located within a Local Economic Revitalization Tax Assistance district in the City of Bethlehem. This loan revitalizes and stabilizes low- and moderate-income census tracts by attracting new businesses and residents to this area.
- In 2022, Fidelity originated a \$1.25 million mortgage to purchase a commercial building in a moderate-income census tract in Northampton County. The building houses an existing business. This loan helps meet economic development needs in the assessment area by retaining a business that provides jobs to low- and moderate-income people in the area.
- In 2022, the bank originated a \$1.0 million loan to a non-profit organization that provides community services to low- and moderate-income individuals, including programs addressing homelessness, childcare, and educational needs for women and children. This loan supports community development services in the assessment area.

INVESTMENT TEST

Fidelity demonstrated adequate performance under the Investment Test within the Allentown MSA assessment area. Fidelity's adequate performance under each Investment Test criterion supports this conclusion.

Investment and Grant Activity

Fidelity has an adequate level of qualified community development investments and grants. In addition to qualified investments that benefitted both assessment areas collectively, the bank made 109 qualified investments totaling \$620,075 that specifically benefitted the assessment area. This includes 63 EITCs totaling \$366,500 and 46 donations totaling \$253,575. The following table illustrates the bank's qualified investment activity by investment type and purpose.

Qualified Investments Allentown-Bethlehem-Easton, PA-NJ MSA Assessment Area										
Investment Type	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
EITCs	0	0	56	340	4	10	3	17	63	367
Grants & Donations	0	0	38	88	1	1	7	164	46	253
Total	0	0	94	428	5	11	10	181	109	620

Source: Bank Data

The following is a sample of qualified investments that benefit the assessment area.

- During the evaluation period, the bank purchased three EITCs totaling \$43,000 that supported an organization that primarily serves low- and moderate-income individuals in the Easton and surrounding neighborhoods. The non-profit organization prepares people to succeed in work, school, and life by providing support and instruction in the skills needed to avoid poverty. This tax credit supports community services in the assessment area.
- In 2020 and 2021, the bank purchased two EITCs totaling \$40,000 that supported a youth organization that serves the Allentown assessment area. The non-profit organization provides specialty services to low- and moderate-income students in Allentown. Nearly all students in the Allentown school district receive free or reduced-priced lunches. This loan supports community services in the assessment area.
- During the evaluation period, the bank provided three donations totaling \$150,000 to a non-profit organization whose mission is to revitalize or stabilize low- and moderate-income neighborhoods in the Lehigh Valley, particularly in Allentown and Bethlehem. The organization offers programs in business start-up and development, food access and nutrition, housing, and neighborhood revitalization.

Responsiveness to Credit and Community Development Needs

The bank exhibits adequate responsiveness to credit and community economic development needs. Fidelity continues to obtain equity investments and make an adequate volume of EITCs and donations that primarily support community development services in the Allentown MSA assessment area. The qualified investments are assisting in addressing the needs identified by bank management.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. Fidelity's investments include CRA-qualified MBSs, EITCs, and donations.

SERVICE TEST

Fidelity demonstrated adequate performance under the Service Test performance within the Allentown MSA assessment area. The bank’s adequate performance under the Changes in Branch Locations and Community Development Services criteria supports this conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution’s assessment area. Fidelity operates seven full-service branches and seven ATMs throughout the Allentown MSA assessment area. The following table illustrates the distribution of branches and ATMs by tract income level.

Branch and ATM Distribution by Geography Income Level Allentown-Bethlehem-Easton, PA-NJ MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	15	15.2	59,180	13.5	0	0.0	0	0.0
Moderate	26	26.3	121,921	27.8	2	28.6	2	28.6
Middle	40	40.4	162,324	37.0	4	57.1	4	57.1
Upper	18	18.2	95,049	21.7	1	14.3	1	14.3
Total	99	100.0	438,474	100.0	7	100.0	7	100.0

Source: 2015 ACS Data; Bank Data

Fidelity has no branches in low-income census tracts. However, several of the branches are located near low- and moderate-income neighborhoods. Additionally, the bank offers other alternative delivery systems that are accessible throughout all geographies including telephone banking, online banking, and mobile banking.

Changes in Branch Locations

Fidelity’s closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Through the acquisition of Merchants, Fidelity gained all seven of its branches in this assessment area.

During the evaluation period, the bank closed one branch in the assessment area. In February 2022, the bank closed its Martins Creek branch, located in a middle-income census tract in Martins Creek, PA. Fidelity closed this branch in an effort to realign its network footprint after the Merchants acquisition. The closure did not have a material adverse impact on the availability of banking services in their respective neighborhoods. In August 2020, the bank relocated its Broadway branch, located in a moderate-income census tract in Bangor, PA, to a location less than one mile away.

Reasonableness of Business Hours and Services

Fidelity’s business hours and services do not vary in a way that inconvenience certain portions of the assessment area. Fidelity offers the same products and services at all seven full-service branches. All branches have ATMs and night-deposit drop boxes. Most branches offer drive-thru services providing extended hours and a coin-counting machine.

Community Development Services

Fidelity provides an adequate level of community development services. During the evaluation period, the bank’s directors, senior officers, managers, and employees provided 28 instances of qualified community development service to 12 organizations serving the Allentown MSA assessment area. The following table illustrates the bank’s community development service instances by year and purpose.

Community Development Services					
Allentown-Bethlehem-Easton, PA-NJ MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	0	3	3	2	8
2021	0	1	6	3	10
2022	0	1	7	2	10
Total	0	5	16	7	28
<i>Source: Bank Data</i>					

The following is a sample of community development services that benefit the assessment area.

- During the evaluation period, two senior bank officers served on the board of a local non-profit whose mission is to improve the quality of Hispanic and non-Hispanic families’ lives by empowering them to become more self-sufficient. This non-profit provides community services promoting economic opportunity and promotes cultural diversity through its social programming and other services. As board members, these bank officers provided their technical expertise on financial matters and assisted with fundraising efforts to achieve the non-profit’s mission.
- During the evaluation period, a senior bank officer served on the economic vitality committee of an Easton non-profit development organization whose mission is to nurture Easton’s economic well-being and cultural vibrancy. This non-profit provides several programs geared towards economic development within Easton, including the Easton Main Street Initiative, and is volunteer driven. As a member of the economic vitality committee, this bank officer volunteers with the Easton Main Street Initiative to strengthen and broaden economic development through the creation of programming to serve the area, and assists with fundraising efforts.

- During the evaluation period, a senior bank officer served on the board of the organization providing oversight of the City Revitalization & Improvement Zone (CRIZ) in Bethlehem. The CRIZ consists of 130 acres of parcels designated for economic development and job creation, and include vacant, desolate, underutilized, and abandoned properties for redevelopment. As a board member, this bank officer provides technical expertise through their residential and commercial lending background to the organization.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and

- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

The Fidelity Deposit and Discount Bank	
Scope of Examination: Full scope reviews were performed on the following assessment areas within the noted rated areas: Scranton-Wilkes-Barre, PA MSA Assessment Area Allentown-Bethlehem-Easton, PA-NJ MSA Assessment Area	
Time Period Reviewed:	3/26/2020 – 1/9/2023
Products Reviewed: Home Mortgage Loans: 1/1/2020 to 12/31/2021 Small Business Loans: 1/1/2020 to 12/31/2021	

List of Assessment Areas and Type of Evaluation			
Rated Area/Assessment Area	Type of Evaluation	Branches Visited	Other Information
Scranton -Wilkes-Barre, PA MSA	Full-scope	None	None
Allentown-Bethlehem-Easton, PA-NJ MSA	Full-scope	None	None

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Scranton -Wilkes-Barre, PA MSA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Allentown-Bethlehem-Easton, PA-NJ MSA	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income 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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 that 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 the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

Qualified Investment: A 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating 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.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.