



# Community Reinvestment Act

Public File 2026

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Artisans' Bank 2025 CRA Self-Assessment Report dated April 1, 2026

# **Artisans' Bank**

## **Compliance Memorandum**

**To:** CRA Board Committee; CRA Management Committee  
**From:** Joel S. Schiller, CRO: Compliance & CRA Officer  
**Date:** April 1, 2026  
**CC:** CRA Public File

**RE:** Self-Assessment of Artisans' Bank's Record of Performance under the Community Reinvestment Act (CRA) for Calendar Year 2025.

### **Executive Summary:**

As documented in the Bank's CRA Policy, the Board of Directors has charged Management with the obligation to seek, understand, and actively help to meet the credit and financial services needs of the low- and moderate-income segments of the communities the Bank serves. The Bank remains committed to the spirit of the Community Reinvestment Act (CRA) by promoting a roster of innovative and flexible consumer loan and deposit products and services throughout its CRA Assessment Areas. The Bank also provides leadership and support to the non-profit community that serves these market segments and invests in CRA related assets to help support the credit and financial services needs of the communities we serve.

The Bank maintains a roster of consumer loan and deposit products and retail banking services, directed towards the low and moderate income and geographic segments of our community. These activities are described within this CRA self-assessment report. Financially and operationally, the Bank supports community development lending and community development investments and provides innovative banking services to the un-banked and the under-banked. The Bank participates with Federal, State and Local governments, CDFI's, non-profit agencies, other financial institutions, and informal community groups to gain an awareness of the available government programs, community loan programs, community development projects, community development investments, and CRA related service projects in which the Bank can support.

The Board of Directors has appointed the Chief Risk Officer as the CRA Officer for the institution. The CRA Officer chairs a CRA Management Committee which helps the Bank meet its ongoing responsibility to support CRA. The CRA Officer also chairs an CRA Board Committee which provides the Board with an annual summary of its CRA program. These committees assess the results of the Bank's CRA activities; ensures we offer fair and equal access to credit and financial services to all consumers in a non-discriminatory manner; and ensures our CRA programs meet the standards for a satisfactorily rated CRA program.

The purpose of this memorandum is to self-assess the Bank's performance under the Community Reinvestment Act for the calendar year 2025. Your involvement is encouraged.

### **Overall Conclusion:**

It remains the opinion of the CRA Officer of Artisans' Bank, that the Bank continues to **Satisfactorily** meet the credit and financial services needs of the Bank's CRA Assessment Area; including the low and moderate income and geographic sectors of the communities we serve.

**1. Ascertaining the Credit and Financial Services Needs of our CRA Assessment Area**

As a state-chartered, mutually owned, community bank serving the State of Delaware, the Bank strives to understand the credit and financial services needs within our CRA Assessment Area. By participating with Federal, State, and Local governments; state and local non-profit organizations; Delaware based CDFI's; local neighborhood groups; other financial institutions; and the credit and home-ownership counseling agencies who serve the credit and financial services needs of the low and moderate income and geographic segments of the communities we serve, we strive to ascertain the credit and financial services needs of our CRA Assessment Areas.

Bank Directors, Officers, and Associates are encouraged to serve on local and statewide non-profit organizations and provide leadership and support to these organizations and to gain awareness of community credit needs. CRA guidance is also obtained from the FDIC, the FRB Philadelphia, the FHLBank of Pittsburgh, the ABA and the Delaware Bankers Association. The Philadelphia FRB maintains a Community Profile for Delaware, which includes listings of the many non-profit agencies that serve the low- and moderate-income segments of the Bank's CRA Assessment Areas. The Bank uses all of these resources to determine where its limited resources can be best served.

The Bank's community leadership and its outreach is monitored by the Bank's CRA Officer, who reports this activity to Management and the Board. Directors, Officers, and Bank Associates perform community outreach to communicate the Bank's lending, investment, and financial service products and services to the community and to learn more about the credit and financial services needs within the Bank's CRA Assessment Areas. Meetings with government agencies, housing counselors, non-profit organizations, banking peers, and concerned individuals involved in the evaluation, coordination, and development of affordable housing within our community, are also encouraged.

**2. Compliance with Fair Lending Laws and Regulations**

The Board has instructed Management to monitor the Bank's lending and deposit taking activities to ensure they are fairly and consistently applied to all applicants who meet the Bank's lending and deposit account opening standards. Through internal and external compliance and audit reviews, we have determined the Bank strives to comply with Federal and the Delaware state law and the regulations that comprise fair lending: including the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, the Americans with Disabilities Act, and the Community Reinvestment Act. The Bank's products and services are extended to customers without regard to race, color, religion, national origin, sex, marital status, familial status, handicap, age (provided that the applicant has the capacity to enter a binding contract), sexual orientation, gender identity, that all or part of the applicant's income is derived from public assistance program; or that the applicant has in good faith exercised any of their rights under the Consumer Credit Protection Act.

Furthermore, the Bank actively monitors its lending and deposit taking activities in Delaware and within its surrounding communities to ensure the Bank's Reasonably Expected Market Area (REMA) does not extend beyond its Delaware borders. This monitoring includes actively measuring the Bank's performance within the minority-majority census tracts in Delaware and its REMA to ensure these communities are also well served.

### **3. FDIC CRA Examinations**

The FDIC's most recent CRA Examination of the institution covered the period August 16, 2022 through September 30, 2025. The Bank received a "**Satisfactory**" CRA composite rating from this examination, and "**Satisfactory**" CRA ratings for the lending and community development components, consistent with its prior CRA examinations. Banks with this CRA rating have a satisfactory record of helping to meet the credit needs of its CRA Assessment Areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. Upon the November 2025 receipt of the FDIC's CRA Examination Performance Evaluation Report, a copy of the report was placed into the Bank's CRA Public File.

Due to the 2025 repeal of the 2023 CRA Modernization Act, the Bank will continue to be evaluated by the FDIC using the existing 1995 CRA regulations. Under these regulations, the Bank is considered to be an Intermediate Small Bank, with assets between \$350 million and \$1 Billion. Institutions of this size are generally examined under a two-pronged 50% CRA Lending test and a 50% CRA Community Development test. However, institutions who optionally file their CRA data annually with the federal government retain an option of being examined under the Large Bank 50% CRA Lending Test; 25% CRA Investment Test; and 25% CRA Community Development Test.

In November 2025, the FDIC updated its Consumer Compliance Examination Manual to extend the frequency of Compliance and CRA examination cycles for most insured institutions, typically ranging from 54–78 months depending on asset size and ratings. This change aims to shift resources toward higher-risk institutions, reduce the regulatory burden on well-managed, lower-risk institutions, and adopt a more risk-focused supervisory approach to CRA oversight.

As a result, the next full scope FDIC CRA examination of the institution is not expected to occur until 2030, or 54–66 months from the 2025 examination. The elongation of the Compliance and CRA examination schedule, however, does not relieve the institution of its compliance and CRA responsibilities, including annual self-assessments and data analysis and reporting.

**4. Fair Lending Reviews**

A Fair Lending review was conducted by the FDIC as part of their 2025 CRA examination of the institution. While the Fair Lending review noted no fair lending or technical compliance regulations violations, the Bank was reminded not to report loans to non-profits as CRA Small Business loans and to ensure its HMDA LAR includes non-revolving commercial lines of credit used to acquire, tear-down, and improve non-owner occupied residential real estate. These recommendations have been implemented.

The Bank continues to perform an annual internal Fair Lending risk assessment and recognizes that it should continue to work to increase its volume of loan applications from Black, Hispanic, and Asian applicants and improve its loan penetration in the Minority-Majority census tracts within the Bank’s CRA Assessment Areas. This recommendation is supported by a CRA Targeted Marketing Plan, which began in 2023. This initiative continues and is being managed by the CRA Officer, the Head Residential Lender, and the Marketing Officer, who report to the CRA Management Committee.

**5. Branch Network & CRA Assessment Area Definitions**

Artisans’ Bank continues to serve all three counties in Delaware: New Castle County, a portion of Metropolitan Area (MA) 48864; Kent County, Metropolitan Area (MA) 20100; and Sussex County (NA), no longer a portion of Metropolitan Area (MA) 41540. The Bank maintains 11 full-service branches and 3 commercial/residential loan production offices to serve these assessment areas. Seven of the Bank’s retail branches are in New Castle County; two are in Kent County; and two are in Sussex County. Due to the most recent FFIEC census updates, 4 of the Bank’s 11 branches (Downtown, Little Falls, Dover, and Milford) are located in moderate-income census tracts and 4 are located in minority-majority census tracts (Downtown, Bear, Dover, and Milford).

On March 27, 2026, the Bank officially closed its Graylyn branch office. This office was located in an upper income census tract in New Castle County and its closing does not have a negative impact on the Bank’s CRA results. Prior to this change, the most recent change to the Bank’s branch network occurred in 2022, when the Bank relocated (closed and opened) its Rehoboth Branch and Loan Production Office, and prior to that, in 2011, when the Bank closed its Polly Drummond Branch office. Prior to 2011, the Bank’s two newest bank branches, Millville and in Little Falls, were opened in 2008.

The Bank’s 2025-2027 Strategic Plan includes a new branching initiative. The working group assigned to explore these opportunities are aware of the Bank’s CRA obligations.

<b>6. Loan to Deposit Ratio Analysis</b>	<b><u>12/31/25</u></b>	<b><u>12/31/24</u></b>	<b><u>12/31/23</u></b>
	79.71%	81.58%	79.26%
Host State Loan to Deposit Ratio (a/o June 30 prior year)	66%	60%	47%

After several years impact by the deposit growth derived from the economic stimulus crafted in response to the COVID-19 pandemic, the Bank’s Loan to Deposit ratio has returned to the desired community bank 80% LTD range. The Bank’s LTD ratio remains well ahead of the Delaware Host State average for Loans to Deposits; as this ratio remains artificially low because several national banks report their deposits in Delaware but do less local lending here. It should be noted, however, that this number is also climbing, as Bank of America and Chase have increased their local market presence.

**7. Home Mortgage Disclosure Act (HMDA) Lending Results**

Loan applications for the purchase, improvement, or refinance of a 1-4 family or a multi-family residential dwelling, are to be reported on the Bank’s HMDA Loan Application Register (LAR). HMDA reportable applications come from all three lending units (residential/consumer/commercial) of the Bank, and the required data is collected, scrubbed, and reported to the government.

HMDA data assists the Bank in its assessment of meeting the credit and financial services needs of the communities we serve, including the low- and moderate-income, and minority-majority geographic segments of our CRA Assessment Areas. As an Intermediate Small Bank, with limited application volumes, the Bank is excluded from the expanded loan data reporting requirements of HMDA. The Bank has also chosen not to voluntarily report home equity lines of credit on its HMDA LAR.

<u>HMDA LAR Data</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
Loan Applications Taken	133	100%	112	100%	160	100%
Denials	10	7.5%	5	4.5%	9	5.5%
Withdrawn	3	2.3%	7	6.2%	6	3.8%
Incomplete	3	2.3%	0	0.0%	3	1.9%
Approved, Not Accepted	6	4.5%	5	4.5%	7	4.4%
Originated Loans	111	83.4%	95	84.8%	135	84.3%
Purchased Loans	0		0		0	
Assessment Area Applications	121	91.0%	100	89.3%	144	90.0%
Outside Assessment Area Apps	12	9.0%	12	10.7%	16	10.0%

A reasonably high percentage of our HMDA reportable applications continue to come from within the Bank’s CRA Assessment Area. The Bank’s fallout and denial rates also remain relatively low, a continued testament to the dedication of our lending teams.

<u>HMDA LAR Data</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
Loan Applications Taken	133	100%	112	100%	160	100%
Mortgage Lending	51	38.3%	31	27.7%	53	33.1%
Home Equity Lending	61	45.9%	58	51.8%	82	51.3%
Commercial Lending	21	15.8%	23	20.5%	25	15.6%

<b><u>HMDA LAR Data</u></b>	<b><u>2025</u></b>		<b><u>2024</u></b>		<b><u>2023</u></b>	
Loan Applications Taken	133	100%	112	100%	160	100%
Purchases	57	42.9%	47	42.0%	65	40.6%
Home Improvement	23	17.3%	27	24.1%	42	26.2%
NCO Refinance	28	21.0%	20	17.8%	28	17.5%
CO Refinance	4	3.0%	0	0.0%	4	2.5%
Other	21	15.8%	18	16.1%	21	13.2%

HMDA reportable loan applications rebounded slightly in 2025, as interest rates began to fall in the latter half of the year. In response to the stagnant mortgage refinance market, the Bank continues to actively promote its home equity lending products and pursue non-owner-occupied commercial lending opportunities. Home purchase applications continue to be most prevalent mortgage product at the Bank.

<b><u>HMDA LAR Data</u></b>	<b><u>2025</u></b>		<b><u>2024</u></b>		<b><u>2023</u></b>	
Assessment Area Applications	111	100%	100	100%	144	100%
Low Income Tracts (<50% MI)	2	1.8%	1	1.0%	5	3.5%
Mod Income Tracts (<80% MI)	20	18.0%	18	18.0%	22	15.3%
Low Family Income (<50% MI)	13	11.7%	10	10.0%	20	13.9%
Mod Family Income (<80% MI)	13	11.7%	23	23.0%	27	18.8%

A reasonable percentage of HMDA reportable applications were taken from low- and moderate-income applicants, although the percentage decreased in 2025. The percentage of HMDA reportable applications taken in low- and moderate-income census tracts increased slightly, although the number of applications taken from low-income census tracts remains low.

To combat these concerns, the Bank enhanced its Homeownership Mortgage product in 2025 by offering a \$5,000 cash settlement assistance grant for applications from LMI applicants within LMI census tracts. Our efforts to strengthen the Homeownership Mortgage product, re-connect with the Delaware State Housing Authority, and provide financing for Habitat for Humanity NCC clients will be discussed later in this report.

## **8. Community Reinvestment Act (CRA) Small Business Lending Results**

The Bank remains an Intermediate Small Bank as defined by the CRA regulations, with assets between \$250 million and \$1 billion. The Bank continues to voluntarily report CRA information to the federal government annually in order to retain the option of being examined under either the FDIC’s CRA Large Bank or Intermediate Small Bank examination requirements. CRA Small Business Lending includes commercial loans in amounts of \$1 million or less, reported on the Bank’s Call Report as “secured by non-farm, non-residential real estate” or as “commercial and industrial loans”.

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<u>CRA Small Business- #</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
CRA SB Originations	60	100%	61	100%	61	100%
Originations <\$100,000	19	32%	25	41%	28	46%
Originations \$100-\$250	11	18%	11	18%	17	28%
Originations \$250-\$1M	30	50%	25	41%	16	26%
Businesses <\$1M Revenue	39	65%	30	49%	31	51%
Assessment Area Originations	51	84%	58	95%	78	84%
LMI Tract Originations	<u>14</u>	<u>23%</u>	<u>21</u>	<u>36%</u>	<u>22</u>	<u>28%</u>
NCC LMI Tracts	10	71%	12	57%	16	73%
Kent/Sussex LMI Tracts	4	29%	9	43%	6	27%

A Community Reinvestment Act (CRA) small business loan is generally defined as a business loan with an original amount of \$1 million or less, reported on the Bank’s CALL Report as "loans secured by nonfarm nonresidential properties" or "commercial and industrial loans" within a bank's designated CRA Assessment Area.

Reportable CRA Small Business commercial loan origination volume remained consistent in 2025, as higher interest rates and economic uncertainty resulted in continued weaker than normal commercial loan demand. The percentage of reportable CRA Small Business loans, within the Bank’s CRA Assessment Area, dipped in 2025, but remains at a reasonable level above 80%. The Bank lending mix skewed towards higher dollar transactions in 2025, but the Bank continues to report a reasonable mix of smaller sized reportable commercial loans. The Bank’s percentage of loans within the LMI census tracts in its CRA Assessment Area, also dipped in 2025, with continued weak Kent & Sussex County LMI small business origination volumes.

**9. Community Reinvestment Act (CRA) Small Farm Lending Results**

CRA Small Farm lending includes loans in amounts of \$500,000 or less, reported on the Bank’s Call Report as loans to “finance agricultural production”, “other loans to farmers”, or “loans secured by farmland”. No reportable CRA Small Farm loans originated in 2025, as Small Farm lending remains an immaterial part of our commercial lending business.

<u>Small Farm Lending</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Originations - #	0	1	0
Originations - \$	\$0	\$323	\$0

**10. Community Reinvestment Act (CRA) Community Development Lending Results**

CRA Community Development lending currently includes: 1) Loans for affordable housing, including multi-family rental housing for low- and moderate-income individuals; 2) loans to non-profit organizations who provide community services to predominantly low-and moderate-income clientele; 3) loans which support general economic development in low- and moderate-income neighborhoods; and 4) lending activities that revitalize or stabilize neighborhoods within the Bank’s CRA Assessment Area or the community at large, including low-and moderate-income geographies.

CRA Community Development lending also includes lending activity that revitalizes and/or stabilizes distressed, or under-served, non-metropolitan, middle-income geographies or federally designated disaster areas. Loans that must be reported as CRA Small Business Lending or HMDA may not be reported as CRA Community Development, except for LMI multi-family rental housing, which may be double counted.

<b><u>Community Dev. Loans</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Originations - #	8	2	2
Originations - \$	\$5,198,250	\$2,980,000	\$181,000

The Bank reported eight qualifying CRA Community Development loans in 2025: including the renewal of a \$250,000 operating line of credit to True Access Capital; a new \$750,000 revolving construction line of credit to Habitat for Humanity New Castle County; coordination of the SBA’s 504 program with True Access Capital, a CDFI, to provide a \$1,269,000 construction loan and \$1,008,000 in interim financing for Bayside Properties, who are constructing a new gymnastics center in Milford, Delaware; coordination with Cinnaire, a CDFI, and the FHLBank Pittsburgh to provide Banking on Business Investing in Equity (BOBIE) loans to two women owned businesses: Beachfront Internal Medicine, who received a \$71,250 BOBIE loan as part of its commercial mortgage to purchase office space for a mental health practice; and Sussex Pain Surgery Center, who received a \$300,000 BOBIE loan, in conjunction with their refinance of a \$1,400,000 commercial mortgage.

**11. Optional HMDA or CRA Data Collection for Consumer Loans**

The Bank continues to optionally not report its HELOC lending or its CRA qualifying, non-real estate secured, consumer lending on its HMDA LAR or CRA Loan Registers. These decisions continue to be based on the very low volume of non-real estate secured consumer loans and the temporary regulatory exclusion which allows small lenders, such as Artisans’ Bank, who generate less than 200 HELOC applications per year, not to report HELOCs.

Also, as an Intermediate Small Bank with less than 500 reportable mortgage applications per year, the Bank also continues to receive a regulatory exemption from reporting the expanded HMDA LAR data reporting fields that were created in 2019.

## **12. Third-Party CRA Data Analysis**

The Bank contracts with Capco Compliance, a third-party service provider, to prepare an independent assessment of the Bank's performance in minority-majority census tracts (MMTs) within the Bank's CRA Assessment Area. This analysis of the Bank's HMDA LAR is intended to assess the level of "redlining" risk within the institution. While their 2025 review will be completed later this year, their 2024 report concluded the Bank continues to maintain a "Moderate" redlining risk, with significant shortfalls noted in both applications and loans from MMTs.

The Bank used three peer financial institutions (FIs) in the assessment: Del-One FCU (Kent); FCCB (New Castle); and Tidemark FCU (Sussex). The Capco report revealed the Bank's shortfalls for applications and loans were significantly greater than Del-One and FCCB but significantly less than Tidemark FCU.

The report contained the following recommendations: the Bank should further analyze its lending opportunities in MMTs; the Bank should review its outreach and marketing efforts in MMTs; the Bank should review the locations of its MLOs and branches to determine if any shifts in locations could help improve MMT penetrations.

The Bank's CRA Targeted Marketing and Fair Lending Plans will be discussed in more detail later in this CRA self-assessment report.

## **13. CRA Lending Programs**

### **(A) *CRA Homeownership Program***

The Bank has, for many years, offered low-and-moderate-income first-time homebuyers an approximate 0.25% reduction on the Bank's secondary market pricing, and a waiver of the Bank's (\$995) internal loan origination fee. These benefits are extended to low- and moderate-income applicants who purchase or refinance their primary residence in low- and moderate-income census tracts within the Bank's CRA Assessment Area.

In early 2025, the Bank enhanced its CRA Homeownership program by offering a \$5,000 New Neighbor cash settlement-assistance grant to qualifying applicants. This applies to LMI home buyers who buy or refinance properties in LMI census tracts. The loans are sold, servicing released, to FHLMC and US Bank, in the secondary mortgage market. In 2025, two such cash grants were offered by the Bank.

<u>Homeownership Lending</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
Purchase Applications	57	100%	47	100%	65	100%
FTHB Applications	10	\$3.1M	3	\$0.9M	4	\$0.8M
FTHB Loans Closed	10	\$3.1M	3	\$0.9M	4	\$0.8M
CRA Applications	4	\$1.0M	2	\$0.6M	2	\$0.3M
CRA Loans Closed	4	\$1.0M	2	\$0.6M	2	\$0.3M

The level of FTHB and CRA mortgage applications increased significantly in 2025, a factor of increased marketing of the New Neighbor program, the DSHA relationship, and referrals from local housing counseling agencies.

**(B) *FHA, VA and DSHA Lending***

The Bank was approved as an FHA/VA lender in 2013 when it purchased 63 FHA and 16 conventional mortgages, totaling \$10.4M, from AIG Savings Bank, a local financial institution who relinquished its Delaware banking charter and divested of its local CRA assets. Because the Bank decided not to become an approved FHA servicer, the FHA loans were assigned to Dovenmuehle for servicing. When originated, new FHA and VA loans are sold servicing released to U.S. Bank.

In 2025, the Bank re-established its connection with the Delaware State Housing Authority and became an approved DSHA lender. DSHA loans are sold servicing released to Lakewood Mortgage, DSHA’s approved secondary market conduit.

No FHA or VA lending has occurred for several years, as incentives offered by other lenders have made it difficult for our standard FHA/VA mortgage to compete. Our most recent FHA and VA lending occurred in 2020 and 2021.

<u>FHA Lending</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
Applications - #, \$	0	\$0.0M	0	\$0.0M	0	\$0.0M
Originations - #, \$	0	\$0.0M	0	\$0.0M	0	\$0.0M

<u>VA Lending</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
Applications - #, \$	0	\$0.0M	0	\$0.0M	0	\$0.0M
Originations - #, \$	0	\$0.0M	0	\$0.0M	0	\$0.0M

<u>DSHA Lending</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
Applications - #, \$	1	\$0.2M	N/A	N/A	N/A	N/A
Originations - #, \$	1	\$0.2M	N/A	N/A	N/A	N/A

(C) ***Manufactured Housing Loans***

FHLMC offers residential first mortgage financing for owners of manufactured housing and the loans are sold, servicing released to FHLMC. There has been little to no demand for this type of financing at the Bank.

<b><u>Manufactured Housing</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Applications - #, \$	2 \$0.6M	0 \$0.0M	0 \$0.0M

(D) ***Multifamily Housing Loans***

Multifamily housing consists of apartment buildings and residential dwellings that contain more than four units. The Bank primarily attracts multifamily housing loans through its commercial lending division. These transactions include downtown Wilmington dwellings, University of Delaware student housing, and traditional apartment buildings/complexes. These numbers do not include any Cinnaire or NeighborGood multi-family housing loan transactions, which are reported within the CRA Community Development loan section in this report.

<b><u>Multifamily Housing</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Applications - #, \$	3 \$2.6M	6 \$6.6M	2 \$1.4M

There has been a renewed focus on attracting multifamily housing loans in recent years, as the Bank's real estate concentrations in this commercial loan segment have eased. The Bank's CRA multi-family portfolio also includes apartment buildings with below market rents.

(E) ***Credit Builders Consumer Loan Program***

The Bank created the credit builder loan product in the 1990's to assist homebuyers in accruing the savings necessary for a home purchase down payment. The Bank waives its traditional underwriting for these loans and deposits the proceeds from a closed-end consumer loan into a savings account that secures the loan. Borrowers repay the credit builder loan from their cash flow, while strengthening their credit score and building the savings necessary for home ownership. There are no fees to open a credit builder loan, and the loans are priced at a 9% fixed simple interest rate.

In recent years, the Credit Builder program has been focused on applicants who are unbanked and under-banked, allowing these consumers to establish a positive credit experience with the banking industry. Credit builder loans are a referral product, and the Bank accepts referrals from several local non-profit agencies. The Bank has also shared its credit builder product with Stepping-Stones Community FCU, (a low-income credit union) who is using the Bank's credit builder model to reach its low-income clientele in Wilmington, Delaware.

<u>Credit Builders</u>		<u>2025</u>		<u>2024</u>		<u>2023</u>
Originations - #, \$	1	\$500	2	\$1,000	7	\$8,450

(F) ***St. Vincent Small Dollar Consumer Loan Program***

The Bank also offers the working poor clients of the Society of St. Vincent DePaul, a simple interest, no fee, small dollar, consumer loan. The Bank waives its normal underwriting, and the Bank and Society share the loan loss experience for these customers.

<u>St. Vincent:</u>		<u>2025</u>		<u>2024</u>		<u>2023</u>
Originations - #, \$	5	\$6,165	4	\$4,200	5	\$3,200

(G) ***No Fee Home Equity Loans and Home Equity Lines of Credit***

The Bank continues to actively market its home equity loans and home equity lines of credit products as affordable consumer lending products. With no application fees or closing costs, flexible underwriting, competitive pricing, and portfolio retention, these loans can be attractive to low- and moderate-income homeowners.

<u>Applications</u>		<u>2025</u>		<u>2024</u>		<u>2023</u>
HELOCs	93	\$15.3M	100	\$13.6M	82	\$12.1M
Home Equity	60	\$ 4.3M	56	\$ 3.3M	80	\$ 5.4M

Home equity application volumes remained stable in 2025 with HELOC applications again exceeding Home Equity loan applications; continuing the trend that has existed since interest rates began to rise. 2025 was another good year for home equity lending, whose activity is bolstered by ease of application and continued marketing.

14. **Community Development Financial Institution (CDFI) Initiatives:**

(A) ***Cinnaire (formerly known as Delaware Community Investment Corp)***

The Bank was a founding member of DCIC, the first CDFI in Delaware. In 2013, DCIC merged with Great Lakes Capital Fund and was rebranded as Cinnaire. Over its thirty-year history, the Bank has advanced over **\$5 million** to their Housing Loan Funds I-VII; Mid-Atlantic Loan Fund I; Community Investment Loan Funds II-III; and Urban Renewal Loan Funds I-II. In 2007, the Bank also purchased a \$500,000 equity interest in DCIC's Equity Fund for Housing VII. This investment was a low income housing tax credit, which provided its yield through the pass-through of tax credits and tax losses from the partnership. This fund has been fully amortized and was formally dissolved in early 2026; for which the Bank received a **\$48,098** cash return.

***Cinnaire's 2025 Activity Summary:***

On December 31, 2025, the current loan balance of the 17 Cinnaire/DCIC multi-family housing and community development projects, was **\$529,244**, with an additional **\$586,149** in unfunded commitments available in their Mid-Atlantic Housing Loan Fund I and DCIC Housing Loan Funds V & VII. No Cinnaire loan advances occurred in 2025.

- (B) ***NeighborGood Partners (formerly known as NCALL Research, Inc).***  
NeighborGood Partners is a CDFI based in Dover, Delaware, that specializes in affordable housing, education, support services, and community development lending primarily in Kent and Sussex counties. The Bank provides a **\$500,000** unsecured 3.75% working capital line of credit with this CDFI. There were no NeighborGood Partners referred commercial loan participations in 2025.
- (C) ***True Access Capital (formerly known as First State Community Loan Fund)***  
The Bank has been a longtime supporter of this Delaware CDFI, whose mission is to stimulate business growth by empowering micro and small business owners/entrepreneurs with augmented technical expertise and access to capital. The Bank re-approved TAC's **\$250,000** unsecured working capital line of credit at 4.50% in 2025, and currently, commercial lender Greg Makovsky, serves on their loan committee. Additionally, the Bank regularly refers small business lending opportunities to True Access Capital.
- (D) ***Stepping-Stones Community (LMI) Federal Credit Union***  
In 2012, this low-income credit union was formed by the Delaware Community Reinvestment Action Council (DCRAC) to serve the underserved populations in east Wilmington. CRO Joel Schiller served as their Supervisory (Audit) Committee Chair, from their inception until 2022, when he was replaced by other Artisans' Bank Team members and currently Area Manager Marlena Green serves on their Supervisory Committee. Also, residential lender Tom Keehan serves on SSC FCU's Loan Committee.

The credit union maintains a free night depository relationship at the Bank's Ninth Street branch and their members have been able to cash SSC FCU issued, small dollar loan proceeds or share account withdrawal checks at the Bank for no fee. In 2025, the Bank also approved allowing SSC FCU members to use the Bank's ATM network at no cost. Finally, the Bank maintains a **\$25,000** non-member 0.10% below market rate, auto renewing certificate at the credit union. In 2019, SSC FCU was formally awarded Community Development Financial Institution (CDFI) status.

15. CRA Investment Initiatives:

(A) *Delaware State Housing Authority Mortgage Revenue Bonds*

The Bank currently holds 3 DSHA Mortgage Revenue Bonds in its CRA investment portfolio. Funds from these investments are allocated to low and moderate income, first-time home buyers, at a below market interest rates. On December 31, 2025, these bonds had a book value of **\$1,507,654** and the most recent DSHA MRB purchase was a **\$1,030,000** million bond purchased in April 2025. Also in 2025, the Bank was re-approved as a DSHA approved lender, and may again offer bank clients, the roster of approved DSHA mortgage products.

(B) *CRA Qualifying Mortgage-Backed Securities (MBS)*

The Bank currently holds 12 CRA qualifying MBSs in its investment portfolio. When available, the Bank attempts to purchase securities which are supported by mortgages from LMI households in Delaware. On December 31, 2025, the Bank held **\$107,427,312** MBSs in its investment portfolio, and the twelve (12) CRA qualifying MBSs had a December 31, 2025, book value of **\$8,493,414**. No new CRA MBS qualifying purchases were made in 2025. A \$1.2 million CRA FHLMC MBS Investment was purchased in April 2024; the first CRA investment purchase since 2021, and the first investment purchase by the Bank, of any type of investment, since October 2022.

(C) *State & Municipal Bonds*

The Bank will also consider purchasing other specific bonds issued by the State of Delaware or Delaware municipalities that support low- and moderate-income, distressed, or under-served middle income geographies. On December 31, 2025, **no (\$0)** such investments were included in the Bank's investment portfolio.

(D) *Historic Tax Credits*

In 2025, Artisans' Bank acquired **\$515,292** in Historical Preservation Tax Credits that provide benefit for Delaware state tax relief. The credits were brokered through Cinnaire, a CDFI, and purchased from Ursuline Academy, a private school located in a moderate income census tract in Wilmington. The funding for the credits was used to fund the modernization of their athletic facilities. The Bank is currently working with the Ministry of Caring to acquire **\$490,111** in HTCs related to the restoration/improvement of several of their group homes located in low and moderate income census tracts in Wilmington.

(E) ***Non-Profit Organization Contributions***

The Bank contributes to many non-profit organizations that serve the low- and moderate-income households and geographies within our CRA Assessment Area. Requests are funded from the Bank’s annual operating budget and are evaluated by an internal Community Affairs committee. No endowment, foundation, or special set-aside exists for these contributions.

CRA contributions in 2025 included payments to **56** CRA qualifying non-profits, amounting to **72%** of the Bank’s total Community Affairs contributions. The CRA Budgeted to Actuals Expenditures report contains the listing of community organizations who received contributions from the Bank.

<u>Contributions</u>	<u>2024</u>		<u>2024</u>		<u>2023</u>	
CRA Budgeted - \$	\$ 60,000		\$ 60,000		\$ 60,000	
Total Paid - \$	\$109,737	100%	\$106,011	100%	\$123,557	100%
CRA Qualifying	\$ 79,375	72%	\$ 72,100	68%	\$ 79,698	65%

CRA qualifying contributions increased slightly in 2025 and remain a substantial portion of total community contributions. Included in these totals were the capital campaign contributions to Delaware Prosperity Partnership and Sussex Rotary Can Do Playground and the Wilmington Blue Rocks “Walk Sponsorship” payments to Wilmington PAL and Amanecer Counseling Services. New CRA relationships were established in 2025 with Cornerstone West CDC, Laurel Redevelopment Corp., Rehoboth Community Resource Center, Stehm, Inc., and the Sussex Land Trust,

(F) ***Volunteerism with Non-Profit Organizations that Serve the LMI Community***

The Bank continues to encourage its Board, Officers, and Staff to volunteer with the many non-profits that serve the low- and moderate-income sector within our CRA Assessment Area. Please refer to the report “***Bank Officer and Board Member Leadership Activities***” for the listings of the community organizations served. 2025 highlights included our first annual “Community Impact Day” involvements with the Food Bank Delaware and Delaware State Parks; our being named a Heritage Partner by the Latin American Community Center; and our continuing support of Bank at School, Teach Children to Save, and the State of Delaware’s Council on Banking.

**16. CRA Deposit Based Initiatives:**

**(A) Bank in School Accounts**

The Bank remains a strong supporter of the Bank at School program, sponsored by U.D’s Center for Economic Education and Entrepreneurism. In 2025, the Bank opened a new Bank at School at Eastside Charter Elementary (Downtown) and continued its support for the BAS programs at Holy Angels Academy (Midway), Caravel Academy (Glasgow), Odyssey Charter (Little Falls); Linden Hill Elementary (Pike Creek); Brown Elementary (Dover); and Robinson Elementary (Dover). School accounts receive a premium (0.25% APY) 15 basis points over the Bank’s standard statement savings interest rate and have no fees or minimums.

<u>School Accounts</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
School Accounts	690 \$198,088	661 \$174,235	704 \$169,693

**(B) Easy Access Accounts**

In 2021, the Bank joined the national “bank-on” coalition to provide qualified transaction accounts to the unbanked and underbanked. With the support of Jack Henry, the Bank developed the Easy Access account which incurs no overdraft, NSF, or dormancy fees, and has a \$3 monthly service charge, which is waived with either a \$300 minimum daily balance, or an ACH debit or ACH credit each statement cycle. These account holders also receive a free debit card, free online and mobile banking access, and up to four free money orders per statement cycle.

The Bank rolled out its Easy Access product at the end of 2021 and recertified its account with the St. Louis FRB at the end of 2024. The CRA Officer remains on a DBA working group attempting to establish a state-wide Bank-On Coalition through the United Way of Delaware.

<u>Easy Access Accounts</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Easy Access Accounts	186 \$108,975	85 \$72,398	69 \$68,964

**(C) CRA Deposit Accounts**

In response to community needs, the Bank has developed several entry-level savings products for the non-banked and under-banked segments of our community. These are non-direct to consumer deposit products, where our traditional underwriting is waived with a referral from a participating local community agency. Group Savers are restricted second-chance accounts designed to provide re-entry or access into the banking system, and which require agency approval for withdrawals and closures. Free Savers are an unrestricted version of this account which provides the consumer with ATM and online banking access. The Bank remains the leading proponent of CRA deposit accounts in Delaware.

Earned Income Tax Credit (EITC) accounts are legacy Free Saver and/or Small Dollar Time Deposit accounts opened in support of Delaware’s now defunct statewide Earned Income Tax Credit (Spend Some/Save Some) campaign. Individual Development Accounts are legacy restricted savings accounts, opened under a structured savings program that encouraged home ownership, micro enterprise development, or continuing education. IDA participants received matching funds from the public or private sector if their savings goals were met.

<u><b>Unrestricted Savers</b></u>	<u><b>2025</b></u>		<u><b>2024</b></u>		<u><b>2023</b></u>	
Free Savers	22	\$31,599	28	\$36,540	53	\$17,124
EITC Savings/Time	40	\$21,139	46	\$26,633	54	\$40,305
<u><b>Restricted Savers</b></u>						
IDA’s/Group Savers	48	\$ 6,797	61	\$ 9,577	71	\$ 5,408

**(D) *Interest on Lawyer’s Trust Accounts***

The Bank also participates in the Delaware IOLTA (Interest on Lawyers’ Trust Account) program established by the Supreme Court of Delaware. This Fund is supported by the interest which accrues on aggregated escrow and trust account balances (for comingled client deposits) maintained by participating attorneys. The interest is then sent monthly to the Delaware Bar Foundation and distributed to non-profit agencies that provide legal services for the indigent. The Bank has agreed to pay a minimum of 65 basis points to support the IOLTA program.

<u><b>IOLTA Accounts</b></u>	<u><b>2025</b></u>		<u><b>2024</b></u>		<u><b>2023</b></u>	
IOLTA Accounts	6	\$303,838	8	\$86,424	8	\$115,680

**18. CRA Service Based Initiatives:**

**(A) *Statewide Branch Presence***

Despite the March 27, 2026 closure of the Graylyn branch, the Bank continues to operate 11 full-service bank branches: seven in New Castle County, two in Kent County, and two in Sussex County. The Wilmington, Dover, Milford, and Little Falls branches are located in moderate-income census tracts while the Dover Milford, Downtown, and Bear branches are located in minority-majority census tracts. Most of our branch locations offer Saturday hours and drive-thru lanes. We also maintain loan production offices in all three counties.

**(B) *Dual Language ATMs at all Bank Locations***

The Bank operates dual language ATMs at all branch locations to promote 24-hour banking. The Bank’s ATM network has instructions in Spanish and English to assist customers of Hispanic origin. All the Bank ATMs are ADA compliant.

(C) *Affordable Deposit Accounts*

The Bank continues to offer a “Personal Checking” product to consumers with only a \$50 minimum deposit to open; no minimum balance requirements; no monthly service or per check charges; free online banking, bill payment, and e-statements; the first 50 checks free; and no annual ATM/Visa Debit fees.

The Bank’s Statement Savings accounts are also affordable to low- and moderate-income consumers as they require only a \$10 minimum deposit to open, and only a \$50 minimum balance to earn the stated APY. While Statement Savings accounts are subject to a \$5 monthly service fee, the average daily balance required to avoid the monthly service fee is only \$100.

The minimum balance to open a standard Artisans’ Bank Certificate of Deposit or IRA account is \$1,500 or \$500 respectfully, amounts that are relatively affordable to most consumers and are lower than the minimum to open requirements for many other local banks.

(D) *FHLBank of Pittsburgh’s Community Investment Products*

The Bank remains an active member of the FHLBank of Pittsburgh. In 2025, the Bank and Jefferson Street Center participated in a FHLBank marketing video promoting the ten-year anniversary of their Blueprint community initiative. Commercial Lender Ann Rudolph serves on their Board as Treasurer. Also in 2025, the Bank participated in the FHLBank’s Affordable Housing Celebration, honoring retired Delaware Senator Tom Carper. Other 2025 highlights included:

- The FHLBank awarded a **\$750,000** Voluntary Housing Grant to Cornerstone West CDC for their Eighth Street (Wilmington) project. Artisans’ Bank was the Member Bank.
- The FHLBank awarded three Affordable Housing Program applications where Artisans’ Bank was the Member Bank: **\$1,500,000** to Cornerstone West CDC for their Vistas at St. Francis apartment project; **\$321,000** to Cornerstone West CDC for their Aging and Staging Home Repair Project; and **\$1,200,000** to Reach Riverside for their Homeownership Development initiative. Unfortunately, we also learned that Dover Interfaith Mission for Housing’s **\$1,500,000** AHP application for a Transitional Housing and Resource Center was not approved.
- The FHLBank awarded **twenty-six (26)** Home4Good program applications totaling **\$1,519,000**, for the benefit of **fifteen (15)** different local housing organizations. The applications were for rapid re-housing, homelessness prevention, homelessness diversion, innovation, re-entry assistance, shelter connect, and street outreach programs.

- As mentioned in the Community Development Loan section of this report, the Bank was able to originate two FHLBank Banking on Business Inclusion in Equity loans in 2025, for **\$300,000** and **\$71,720**.
- Also, one **\$15,000** FHLBank First Front Door settlement assistance application was originated in 2025.

<u>Affordable Housing (AHP)</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Applications Submitted - #	4	2	2
Grants Awarded - #, \$	3 \$3.0M	0 \$0	0 \$1.5M

<u>Banking on Business (IE)</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Applications Submitted	2	2	2
Grants Awarded - #, \$	2 \$372K	2 \$320K	1 \$75K

<u>First Front Door</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Originations - #, \$	1 \$15,00	0 \$0	1 \$5,000

<u>Home4Good</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Grants Awarded - #, \$	26 \$1.5M	16 \$1.5M	14 \$1.075M

<u>Voluntary Housing</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Grants Awarded - #, \$	1 \$750K	0 \$0	0 \$0

(E) ***Servicing Delaware State Housing Authority Loan Portfolios***

The Bank continues to service, at no cost, two small liquidating loan portfolios on behalf of the Delaware State Housing Authority. In 2017, the Bank renewed its DSHA mortgage servicing agreement and agreed to perform this servicing at no cost, in order to retain its status as a CFPB small mortgage servicer.

<u>DSHA Portfolios</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
MRB Loans (Type 52) - #, \$	5 \$30K	9 \$53K	13 \$92K
Rehab Loans (Type 18) - #, \$	1 \$ 8K	1 \$11K	4 \$30K

(F) ***Delaware Adolescent Program, Inc.***

COO, Rich Tulin, continued to serve as the Treasurer for the Delaware Adolescent Program, Inc. DAPI operates three Delaware high schools (one in each County) that provide standards-based education for LMI pregnant and parenting teens with unique outreach, mentoring, and supportive services promoting empowerment and self-sufficiency.

**(G) *State of Delaware’s Council on Banking***

CEO Elizabeth Albano was appointed to the State of Delaware’s Council on Banking in 2023. This council serves in an advisory capacity to the State Bank Commissioner’s Office and is tasked with administering the Delaware Community Investment Venture Fund, which was created in 2023, to focus on incentivizing banks and federal credit unions to better serve LMI customers within the disadvantaged areas of the State. In 2025, the Fund awarded **\$3.5 million** in grants to seven CDFI’s who had submitted applications under the program.

**(H) *Banzai Financial Education Software***

In 2019, the Bank began sponsoring Banzai financial education software in nine Delaware schools, so that teachers could use the online educational platform within their financial literacy curriculums. The Bank makes the Banzai website available for free, at an annual cost of over **\$15,000**. Banzai is also available to all bank customers and the general public, via a link from the Bank’s Homepage.

Banzai is currently being used at 16 schools in Delaware. Eleven of these schools are CRA qualifying: Academy of Dover, Bancroft Elementary, Shortlidge Academy; Glasgow High, Holy Angels Academy, Millsboro Middle, Sharon Temple Elementary, Star Hill Elementary, Reily Brown Elementary, Warner Elementary and the Sussex County DAPI School.

**(I) *Community Volunteerism***

The Bank continues to encourage its Directors, Officers, and Associates to volunteer on the boards, committees, or in leadership positions with the many non-profit organizations that serve our CRA Assessment Area. This information, as well as community events attended by Bank personnel, is tracked by the CRA Officer on the FDIC CRA Services Activity log. The Bank also offers its facilities, primarily the Multi-Purpose Room at the Little Falls headquarters, to a variety of community groups at no charge.

<u>CRA Activities</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Community Events	680 Hours	620 Hours	755 Hours

**19. CRA Complaints**

The Bank received no complaints regarding its CRA performance in 2025. As a mutually owned community bank serving Delawareans since 1861, the Bank prides itself on its CRA performance. The Bank continues to maintain a board approved Complaint Handling Policy, and a master Complaint Tracking Log, which includes regulatory, written, and escalated verbal complaints. The Bank’s internal analysis of its 2025 complaint log revealed no concerning trends or patterns with regards to CRA or Fair Lending.

**20. CRA Public File**

The Bank maintains a compliant CRA Public File, updated annually, typically by April 1 of each year. The Bank's master CRA Public File is maintained by the CRA Officer at the Little Falls headquarters and a free copy of the report is available upon request. The branches maintain a "thin" version of the Bank's CRA Public File, the required CRA Public Notice on their regulatory black board, and a log of public requests to view the CRA file. As mandated by the CRA Modernization Act, a copy of the CRA Public File was added to the Bank's website in 2024. No requests to view the Bank's CRA Public File were noted in 2025.

**21. CRA Accomplishments:**

The Bank remains proud of its statewide branch and ATM network; its ability to offer affordable loan and deposit products for consumers of all economic backgrounds; its no-cost electronic banking services; and its active participation with community development financial institutions, local non-profit agencies, and the public sector, in developing and delivering a roster of innovative and flexible CRA products and services to consumers.

The Bank remains proud of the active involvement of its CRA Management and CRA Board Committees and the community involvements of its Directors, Officers, and Associates. The Bank also maintains robust data collection and reporting activities which highlight the Bank's CRA programs.

The Bank remains proud of its residential mortgage, home equity, and commercial lending teams; its consideration of CRA qualifying community development investments and lending opportunities; its support of FHLBank's roster of community dividend products; its support of the Delaware CDFI community; its revamped Homeownership Program; its Credit Builder and Small Dollar loan programs; its Bank-On certified Easy Access account; the affordability of its other consumer deposit products; and its overall support of financial literacy in Delaware, including its support of Bank at School and Teach Children to Save; and its promotion of the Banzai financial literacy software and the statewide initiative to develop and implement K-12 financial literacy standards, including a mandatory high school financial literacy course.

It should be noted the 2025 repeal of the CRA Modernization Act and the current revisions to Section 1071 of the Dodd Frank Act will allow the Bank to focus its limited resources towards executing the program initiatives it has developed in response to the Community Reinvestment Act. As a small community focused institution, the proposed data collection and reporting regulations would have added little value.

**22. 2026 Initiatives:**

- To continue to expand our community leadership and involvement with our local community.
- To increase the number of loan applications and loans from the LMI and MMT census tracts and LMI applicants throughout our CRA Assessment Area.
- To continue to increase our presence in Kent County and Western Sussex County.
- To continue our targeted marketing of our CRA loan and deposit products and services to the community.
- To continue our focus on staff diversity, in an effort to attract more loans from minorities.
- To continue to take advantage of ongoing community development qualifying loan and investment opportunities.

**23. Conclusion:**

As summarized in this report, it remains the opinion of the CRA Officer that the Bank continues to **Satisfactorily** meet the credit and financial services needs of the Bank's CRA Assessment Area; including the low and moderate income and minority-majority geographic sectors of the communities we serve.

As we look ahead, we anticipate the current economic environment, and geo-political influences will continue to present challenges to the Bank's lending programs. Mortgage volumes are expected to remain soft, bringing even more focus on the ability of our CRA Targeted Marketing to attract more first-time homebuyer, low-and moderate-income applicants, and minority loan applicants.

Despite these challenges, as one of the few remaining community-focused financial institutions in Delaware, the Bank remains committed to both the spirit and the technical requirements of the Community Reinvestment Act.

This concludes the CRA Officer's CRA Self-Assessment Report for calendar year 2025.