

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bancorp, Inc.

Point of Contact:	Richard G. Spencer	RSSD: (For Bank Holding Companies)	3144736
UST Sequence Number:	261	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	7,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 12, 2008	City:	Pittsburgh
Date Repaid ¹ :	N/A	State:	Pennsylvania

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

Lending was reduced less than it otherwise might have been without the additional capital. While total loans decreased from \$367.1 million at 12/31/10 to \$352.8 million at 12/31/11, the capital provided flexibility through higher capital ratios as encouraged by our regulators.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bancorp, Inc.

To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

Empty response area for increased lending.

Increase securities purchased (ABS, MBS, etc.).

Empty response area for increased securities purchased.

Make other investments.

Empty response area for other investments.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bancorp, Inc.

Increase reserves for non-performing assets.

Reduce borrowings.

We reduced borrowings by \$46 million in 2011 to help deleverage the balance sheet.

Increase charge-offs.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bancorp, Inc.

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

We continued to deleverage the balance sheet in 2011, reducing total assets to \$660.9 million at 12/31/11 from \$694.3 million at 12/31/10, primarily to increase capital ratios. The CPP capital helped to improve ratios during this continuing time of economic uncertainty.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bancorp, Inc.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We have been able to substantially maintain our business model as a local community bank without significant changes. Regulatory pressures to increase capital levels are real and ongoing. The additional capital has helped us to take a longer term view to meeting regulatory expectations.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bancorp, Inc.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

N/A

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bancorp, Inc.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

N/A