



2024

FARMERS BANK
COMMUNITY REINVESTMENT ACT STATEMENT

The primary area served by Farmers Bank, Wendell Office shall encompass Block Numbering Areas 9601 and 9602 as defined by the U.S. Department of Commerce, Bureau of the Census' Tract and Block Numbering Area Reports. These blocks include the Bliss/Gooding Division and the Wendell/Hagerman Division of Southern Idaho. The primary communities within this service area are Bliss, Gooding, Hagerman and Wendell.

Farmers Bank will accept and review applications for single-unit or multi-unit conventional real estate loans, interim construction loans, commercial loans, community development loans, SBA loans, FSA affiliated loans, home improvement loans, agricultural loans and personal loans. Applications will be reviewed in light of the Bank's written loan policy, credit worthiness, availability of funds and current economic conditions without regard to race, religion, age, sex, national origin, handicap, familial status or economic status.

Farmers Bank has extended real estate purchase loans in the past that are within the limits of existing loan policy. Farmers Bank has received and reviewed requests for multi-unit construction financing. The Bank has extended credit to assist with the formation of additional rental housing and single-family dwellings in the Bank's service area. All offices of the Bank desire to assist with the financing of low and low to moderate income rental properties in the Bank's service area. Farmers Bank's mortgage loan division has expanded lending criteria that allows credit extensions on manufactured homes and credit extensions to potential customers that do not have a social security number, but hold an ITIN. The Bank's real estate division has no funding limits on these ITIN loans allowing Farmers Bank to service a wide range of the workforce in the Bank's agricultural market. A loan made in 2022 to New Innovate Properties, LLP allowed for the final infrastructure construction of phase two and phase three of the Clover Creek Subdivision in Gooding. This loan added 25 building lots to the subdivision which will have new single-family homes built by the owner on each lot. The Bank also extended a loan in 2022 to Homefront Enterprises to allow for renovations to an existing motel in Gooding. The remodeling allowed for the conversion of these units to long term rental units that expanded affordable rental options in Gooding. Three loans were made in 2020 to New Innovate Properties, LLP. One of these loans was directed to additional infrastructure and the continued development of a subdivision in Gooding. The other two loans allowed for the construction of homes in this subdivision. Three loans were made in 2019 to New Innovate Properties, LLP that allowed for the construction of homes in a Gooding subdivision. Four loans were made in 2018 to New Innovate Properties, LLP. The first loan allowed for the infrastructure and initial development of a subdivision in Gooding. The next three loans allowed for the construction of homes designed to be affordable starter homes in the Bank's service area. Past loans of note include, but are not limited to, loans in 2014 and 2015 that were extended to the Stonebridge Assisted Living Center of Wendell to allow for the construction of a 16-bed assisted living facility on the north end Wendell. The Bank would review any future requests within the scope of the existing loan policy. The Bank currently extends in excess of 84% of all credit within our defined service area.

Tax free loans remain in the loan portfolio at low rates of interest. Currently, a total of 12 tax free loans are booked across all offices of the Bank. The Wendell Office booked one new tax free loan in 2021. This loan was extended to the County of Gooding for the purchase of a building adjacent to the current Gooding County offices. Gooding County utilized this building for additional county office space. A 2019 loan to the West Point Highway District allowed for the purchase of a used Caterpillar road grader to help service rural roads in the Bank's service area. The Wendell Office would review any future opportunities to bid and attempt to book loans of this nature within the scope of the existing loan policy.

The Bank has reviewed agricultural development, business development, agricultural expansion, business expansion, and construction loans as presented in an effort to promote community development. The Wendell Office has financed new businesses and business expansion within the Bank's service area. One loan of note in 2022 was extended to a local couple to construct Kelsey's Kids Childcare. This new building allowed for a larger day care facility in Wendell. The Bank worked with SBA and their 504 program to finalize this credit extension. A 2019 loan allowed for the final financing of the North Canyon Medical Clinic in Buhl. Construction was completed in 2018 and the Bank was able to term the final construction costs. A 2019 loan was made to the Wood River Mennonite Church to allow for the construction of a new church in Wendell. This loan allowed 12 families to have a formal church. A 2018 loan to North Canyon Medical allowed for the purchase of a chemistry analyzer, a hematology analyzer, and a coagulation, molecular and x-ray machine for the North Canyon Medical Clinic in Buhl. A 2018 loan was made by the Bank with SBA support to a local family to purchase a commercial building in Hagerman. This building became the permanent location for a Papa Kelsey's restaurant. Two loans in 2018 to Bliss Custom, LLC allowed for the purchase of hitches and equipment as well as operating costs to start a calf ranch in Bliss. Bliss Custom, LLC anticipated hiring six to eight employees at inception. Past loans of note include, but are not limited to, a 2017 loan to TL Crist Rental, LLC. This loan allowed for an equipment rental business startup in Wendell. Two loans in 2017 to D&D Transport assisted with the purchase of 25 new trailers. D&D did trade 12 trailers in stock allowing them to expand their fleet of trailers by 13. D&D hired additional owner operators to service increased transportation demands inside and outside the Bank's service area. The Bank has continued to assist in a number of farm and trucking starts and expansions in the Wendell service area.

Farmers Bank has been active in SBA and FSA affiliated loans, agricultural loans, commercial loans and personal loans. SBA loans and FSA affiliated loans have been extended at office locations of Farmers Bank. Farmers Bank currently has one SBA loan and 14 FSA guaranteed loans on the books. One new FSA guarantee loan was booked in 2023. Farmers Bank was very active throughout the Coronavirus pandemic with the origination of 413 Paycheck Protection Program (PPP) loans in 2020 that totaled over \$36,600,000. The Bank extended an additional 251 PPP loans in 2021 that totaled over \$9,120,000. The Bank has assisted with all aspects of this Federal program until all PPP loans were cleared from the Bank's portfolio. At this time, agricultural loans account for 26.30% of the current loan portfolio. Generally, this percentage of the loan portfolio will peak at a higher percentage during the summer operating months. Commercial loan extensions currently account for 25.52% of the Bank's loan portfolio. Real estate related loans continue to be a larger portion of the loan mix and currently account for 43.46% of the loan portfolio. Though SBA related lending jumped to as high as 12% of the loan portfolio in 2020 with the injection of the PPP credit lines, SBA credits currently account for less than 1.00% of the Bank's loan portfolio. Consumer loans and tax free loans account for the final 5.00% of the portfolio. These loans are addressed within the limits of the Bank's loan policy and, like all of the credit applications, without regard to race, age, sex, national origin, handicap, familial, or economic status.

Farmers Bank continues to hold a portfolio of bank qualified, Idaho municipal bonds. These issues include school district bonds in Gooding, Jerome, Lincoln, and Twin Falls counties and counties throughout the state. Though the Bank has not purchased local school district bonds over the past six years, the investment portfolio includes over \$10,400,000 in Idaho municipal bond issues. Currently, \$2,210,000 of this portfolio is located in the Bank's service area.

Farmers Bank will continue to be a corporate citizen and maintain a close business relationship with the Bank's service area. The Bank will provide quality services at competitive prices. The Bank will make every effort to provide affordable deposit accounts and meet the needs of the senior citizens in our communities. The Bank has been active and will remain active in promoting direct deposit of Social Security payments to citizens in our service area. The Bank will assist with the negotiation of Social Security loaded value cards at no service charge.

Farmers Bank offers very affordable checking account options that will allow for basic check writing needs and record receipt. The Bank continues to provide checking account options for both senior citizens and consumer account holders not yet 50 years of age. These accounts offer no service charge options as well as benefits that include free personal checks, free cashier's checks, no annual fee VISA credit card accounts and a rewards program product. The Bank's "e Banking" checking account option continues to be in demand. This account provides a low to no cost transaction account to our customers while encouraging e Statements, check card activity, and electronic banking options. The Bank has continued to expand electronic banking options and online banking options. The Bank will continue to review banking services to accommodate all segments of our customer base. Each Farmers Bank office houses a 24-hour ATM facility with all of these facilities being converted to ITM/ATM facilities in 2022. The Buhl Office currently maintains one Attorney Trust Account (IOLTA) Certification and would be willing to accommodate additional accounts as needed in the future. The Bank will continue to address customer privacy issues, anti-terrorism issues, and general bank security issues to best accommodate our customers.

Farmers Bank and the employees of the Bank have and will continue to offer professional and financial assistance to programs in the Bank's service area that are designed to assist educational opportunities, community development, and those children and families with limited opportunities due to their level of income. Bank employees participate in or offer expertise to a number of organizations. These include, but are not limited to, civic offices, Valley Vista Village, Rotary International, Kiwanis International, Gem Community Teams and local school boards. Employees have been active in the Idaho Small Business Administration Board and Loan Committee, the Wendell Chamber of Commerce, the Magic Valley Dairy Days program, the Wendell Senior Center, the Gooding County Youth Diversion Board, the Gooding County Cemetery Board, the Idaho Society of Rural & Farm Appraisers, the Idaho Total Beef Council, the University of Idaho Dairy Committee, the Idaho Bankers Agricultural Committee and in numerous church and social functions. The Bank has been a consistent supporter of local 4H and FFA programs as well as an annual buyer at the Gooding, Jerome, Lincoln, and Twin Falls County Fairs Animal Sales that support these programs.

Farmers Bank will be an active member of the community with financial support of worthwhile projects and personnel involvement in community activities that facilitate a higher quality of life within the Bank's service area. Program sponsorships are but a portion of this commitment. Sponsorships and donations of record include, but are not limited to, "Racing for Charity", Christmas in the Nighttime Sky's/Toys for Tots, the Idaho Livestock Hall of Fame, the Magic Valley Shriner's Patient Travel Fund, the Magic Valley Cattleman's Association, the Twin Falls County Fair and Rodeo, local Chambers of Commerce, local QRU units, local senior citizen groups, local schools and a variety of local events, facilities and causes.

For nine years, Farmers Bank was very active in the sponsorship and support of the "Festival of Giving". This annual event brought a number of Magic Valley based businesses and individuals together in an effort to raise money for a variety of local charitable/non-profit entities. The Bank consistently contributed direct financial sponsorship along with producing Christmas trees and wreaths for the event auction. The "Festival of Giving" board of directors discontinued this event in 2020. The Bank moved their support to "Racing for Charity" in 2021 with a \$25,000 sponsorship. The Bank continued to support this cause in 2022 and 2023 with an additional \$25,000 sponsorship each year. The Bank anticipates continued support of this event that provides annual support to a number of local charitable/non-profits. Farmers Bank is one of this event's major sponsors that extend both financial support and business expertise to the "Racing for Charity" Board of Directors.

Donations of special note include, but are not limited to, \$2,500 to Twin Falls Business Plus for projects throughout the Magic Valley, \$2,000 to the Gooding County Fair Animal Sale, \$1,500 to the North Canyon Medical Center Chapel, \$1,300 to the Lincoln and Camas County Fair Animal Sale, \$1,000 to Wendell High School, \$1,000 to Gooding High School, \$1,000 to the Magic Valley Shriners Patient Travel Fund, \$1,000 to the College of Southern Idaho Foundation, \$1,000 to the University of Idaho Foundation, \$1,000 to the Wellness Tree Community Clinic, \$500 to the Wendell Senior Center, \$500 to Safe House, \$500 to Jubilee House, \$500 to the USO, \$500 to the Gooding Senior Center, \$500 to the Gooding Volunteer Group, \$500 to the Wendell High School FFA Chapter, \$500 to the Fifth Judicial District CASA Program, \$500 to the Gooding High School FFA Chapter, \$400 to the Hagerman Senior Center, \$400 to Habitat for Humanity, \$400 to Interlink Volunteer Caregivers, \$300 to Valley House Homeless Shelter, \$300 to the Bliss School District, \$300 to the American Red Cross, \$300 to the Walker Center, \$300 to the Gooding District Library, \$250 to the Wendell Quick Response, and \$200 to Loaves and Fishes. With the exception of two Covid cancellations, the Bank has participated in the Christmas in the Nighttime Sky's/Toys for Tots program with an annual donation of \$1,000 in toys. For a number of years, the Bank has provided new automated U.S. Flags to selected local school districts in the Magic Valley. New flags have been installed at Camas County High School and the Twin Falls Christian Academy in 2023.

Farmers Bank will review their efforts on an annual basis to determine the direction of this statement. Employees will be kept abreast of the direction of the Bank's efforts to best serve our trade area. The Bank's marketing and advertising programs will support this effort and attempt to emphasize the Bank's service strengths and commitment to our communities. The Bank will attempt to expand our customer base while becoming more aware of the needs and desires of our communities.

FARMERS BANK BRANCH LOCATIONS

Buhl Branch
914 Main Street
Buhl, ID
(1917)
Census Tract 9804

Wendell Branch
160 South Idaho
Wendell, ID
(1972)
Census Tract 9602

Twin Falls Branch
890 Shoshone Street E
Twin Falls, ID
(1989)
Census Tract 9811

Twin Falls Branch
1097 Blue Lakes Blvd N
Twin Falls, ID
(1997)
Census Tract 9808

Twin Falls Branch
317 Pole Line Road
Twin Falls, ID
(2008)
Census Tract 9807

Jerome Branch
1441 South Lincoln
Jerome, ID
(1998)
Census Tract 9704

No branch closings in the Bank's history

HOURS OF OPERATIONS

All Branches open their lobbies at 9:00 Monday through Friday

All Branches close their lobbies at 5:00 Monday through Thursday

All Branches close their lobbies at 6:00 on Friday

All Branches open their ITM facilities at 8:30 Monday through Friday

All Branches close their ITM facilities at 5:00 Monday through Thursday

All Branches close their ITM facilities at 6:00 on Friday

All Branches have ITM facilities open from 9:00 to 1:00 on Saturday

11/10/2023