



2026

FARMERS BANK
COMMUNITY REINVESTMENT ACT STATEMENT

The primary area served by Farmers Bank, Twin Falls Offices shall encompass Block Numbering Areas 9802, 9806, 9807, 9808, 9809, 9810, 9811, 9812, 9813, 9814 and 9815 as defined by the U.S. Department of Commerce, Bureau of the Census' Tract and Block Numbering Area Reports. These blocks include the Hollister Division, the Kimberly Division, the Murtaugh Division, and the Twin Falls Division of Southern Idaho. The primary communities within this service area are Hansen, Hollister, Kimberly, Murtaugh, and Twin Falls.

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. The Bank's real estate division has made a strong effort to provide credit opportunities in surrounding communities with little or no banking services. Farmers Bank has booked 23 loans across 15 different communities that had zero or one bank in the community. The Bank extended a loan in 2025 to Apartments-R-Us that allowed the borrower to construct two 6-plex apartment buildings in Kimberly. The Bank provided prior financing to this borrower to construct two 6-plex apartment buildings nearby in Kimberly. Past loans of note include, but are not limited to, a loan to Holiday Apartments of Twin Falls that allowed the borrower to purchase an existing Twin Falls hotel and convert it to an apartment complex. This apartment complex offers affordable studio apartments in an older section of Twin Falls. Loans to South Hampton LLC that allowed for the construction of new duplex housing facilities in the Twin Falls service area. Additional financing to multiple individuals provided funds to construct or renovate triplex housing, duplex housing and additional rental options in the Bank's service area. A loan to the owners of the Northside Apartments resulted in three seven-unit apartment buildings in the Morningside area of east Twin Falls. These 21 rental units were converted to one-bedroom apartments targeting low-income affordable housing. The Bank assisted with the financing of the Campus Park Housing project in Twin Falls. This project constructed three large apartment buildings located near the College of Southern Idaho campus. These rentals provide affordable housing to both students and local residents. This project also increased the availability of other affordable housing in Twin Falls. The Bank will review any future requests within the scope of the existing loan policy. The Bank currently extends approximately 85% 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 13 tax free loans are booked across all offices of the Bank. Twin Falls offices booked two new tax-free loans in 2025. Two tax-free loans were extended to the City of Hollister. The first allowed for the purchase of a backhoe. The City of Hollister will utilize the backhoe for a variety of city service functions. The second loan allowed for the installation of a new roof on the local grange hall. Three tax-free loans were booked in 2024. A tax-free loan was closed for the E Street Community Center (former YMCA of Magic Valley). This loan allowed for building upgrades to this local facility that provides after school childcare, an exercise gym, a multi-use sport court, and swimming in Twin Falls. A second 2024 tax-free loan was extended to Habitat for Humanity. This loan allowed for a revolving line of credit to allow for the purchase of homes or real estate when they become available. Habitat for Humanity of the Magic Valley works under the charter and supervision of Habitat International. The purpose of Habitat for Humanity is to build affordable housing and help economically disadvantaged families become successful homeowners. Habitat for Humanity works in conjunction with ReStore. ReStore will repay the revolving line from donations, grants, and income generated by ReStores existing properties repayments and profits from the ReStore sales of in-house items donated. The third loan in 2024 was made to the Twin Falls Canal Company. This loan will provide a revolving line of credit to assist with year-end needs. The Canal Company receives water allotment payments in a concentrated period and often needs to cover expenses until their next funding cycle. A past loan of note was extended to the Lighthouse Christian Fellowship that assisted with the construction of additional classrooms and an auditorium remains on the books. Twin Falls Offices of Farmers Bank would review any future opportunities to bid and attempt to book loans of this nature within the scope of 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. Twin Falls offices have financed new businesses and business expansions within the Bank's service area. A 2025 loan to RK2000 LLC will allow for the construction of a new facility for Action Cycles N Sleds. Action Cycles N Sleds has outgrown their current Twin Falls facility. They anticipate hiring two to three additional employees at opening. A 2025 loan extended to Pizzeria Antico, LLC will allow this business to move into a permanent building in Twin Falls. This business has operated as a food truck serving private events, fairs, festivals, and local food truck parks. The owners anticipate hiring an additional five to ten employees once in full operation. A 2023 loan to Hood and Duct, LLC allowed for the opening of a new business in Twin Falls. Hood and Duct relocated from Elko, Nevada and the Bank assisted with the purchase of a truck and caddy vac unit that allows Hood and Duct to contract larger jobs and restaurant contracts. Hood and Duct has seen a steady growth in employment numbers since inception. A 2023 loan to Hchop, LLC allowed for a small business startup. Hchop completes custom harvesting in and around the Twin Falls service area. A 2023 loan to Soldier Mountain Arms, allowed for a small business startup. Soldier Mountain Arms builds custom rifles, accessories, and loading equipment. This business also provides shooting trainings locally. The owner hired one additional employee at inception. A business expansion loan was completed in 2023 for Amoth, LLP. Amoth, LLP constructed a 75,000 square foot food grade warehouse in Twin Falls. This warehouse will allow for storage of inventory from milk processing plants and energy bars. Amoth, LLP anticipated hiring an additional seven employees at this location. An additional expansion loan was written in 2023 to Legion Roofing, LLC. Farmers Bank worked with the local office of Region IV Development to assist Legion Roofing with operating costs and materials to contract local jobs in the Bank's service area. A 2022 loan to Triple H Leasing assisted with the construction of a showroom and business offices for Ruby Mountain Motors.

A 2022 loan to Preservation Twin Falls was extended to allow for the purchase of an additional piece of the original Stricker Ranch. This property will be added to the Stricker Ranch Historical Site in Twin Falls County. This piece of land came with an original home and outbuilding. A 2022 loan to Asphalt Specialties allowed three local individuals to purchase and continue operation of an asphalt business located in the Bank's service area. Past loans of note include, but are not limited to, a loan to Rocky Mountain Flooring, Inc. that allowed for the construction of a new 10,200 square-foot showroom, offices and warehouse in Twin Falls. The Bank assisted with the original business startup of Rocky Mountain Flooring, Inc in 2015. A loan to Magic Valley Quality Milk assisted with their processing plant expansion. This expansion allowed Magic Valley Quality Milk to process raw milk into cream, filtered skim milk, and condensed milk. The Bank partnered with SBA to finalize on this business expansion. A loan to L G Holdings, LLC allowed for the construction of a 31,500 square foot climate-controlled storage facility to house bees during the winter months. Beekeepers are able to avoid the cost of travel to relocate their bees annually. A loan to the Car Store, LLC provided funding to allow this business to open an additional car lot in downtown Twin Falls. This lot sells low to medium-priced vehicles, and an additional two employees were hired. The Bank has continued to assist with several farm and trucking starts and expansions in the Twin Falls 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 does not currently have any SBA loans booked. The Bank does have seven FSA guaranteed loans active. Four new FSA guarantee loans were booked in 2025. 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. Currently, agricultural loans account for 25% 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 28% of the Bank's loan portfolio. Real estate and agricultural real estate loans continue to be a larger portion of the loan mix and currently account for 44% of the loan portfolio. Consumer loans and tax-free loans account for the final 3% of the portfolio. These loans are addressed within the limits of the Bank's loan policy and, like all 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 have included school district bonds in Gooding, Jerome, Lincoln, and Twin Falls counties and counties throughout the state. Farmers Bank has not had the opportunity to purchase local school district bonds for several years. The investment portfolio includes over \$2,100,000 in Idaho municipal bond issues. All prior issues located in the Bank's service area matured in 2025.

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 accounts that will allow for basic transactions and record receipts. The Bank continues to provide checking account options for both senior citizens and consumer account holders who are 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, a no annual fee VISA credit card 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. Farmers 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 at least one 24-hour ITM/ATM facility. Twin Falls offices currently maintain three 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 have participated in or offered 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 are active in the Idaho Small Business Administration Board of Directors and Loan Committee, the Valley Vista Village Retirement Center Board, the Twin Falls County Youth Diversion Board, the Gooding County Youth Diversion Board, the Idaho Total Beef Program, the University of Idaho Dairy Committee, the Idaho Society of Rural & Farm Appraisers, the Idaho Bankers Agricultural Committee, and 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 Twin Falls, Jerome, Gooding, and Lincoln County Fairs Animal Sales that support these programs.

Farmers Bank will be an active member of the community with financial support to 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. Past 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 numerous Magic Valley based businesses and individuals together 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 wreathes for the event auction. The "Festival of Giving" board of directors discontinued this event in 2020. The Bank moved our support to "Racing for Charity" in 2021 with a \$25,000 sponsorship. The Bank continued to support this cause in 2022, 2023, and 2024 with an additional \$25,000 sponsorship each year. For four years, "Racing for Charity" provided annual support to numerous local charitable/non-profits. Farmers Bank was one of this event's major sponsors that extend both financial support and business expertise to the "Racing for Charity" Board of Directors. The "Racing for Charity" Board of Directors has elected to suspend this event in 2025. The Bank will consider future support for an event of this type in the future.

Donations of special note include, but are not limited to, \$4,500 to the Twin Falls County Fair Animal Sale, \$2,500 to Twin Falls Business Plus for projects throughout the Magic Valley, \$1,000 to Twin Falls High School, \$1,000 to Canyon Ridge High School, \$1,000 to the College of Southern Idaho Foundation, \$1,000 to the University of Idaho Foundation, \$1,000 to the Magic Valley Shriners Patient Travel Fund, \$1,000 to the Wellness Tree Community Clinic, \$1,000 South Central Community Action, \$1,000 to the Fifth Judicial District CASA Program, \$650 to the Twin Falls Senior Center, \$500 to Safe House, \$500 to the USO, \$500 to Jubilee House, \$500 to the La Posada immigration assistance program, \$500 to Rising Stars Therapeutic Riding Center, \$500 to South Central Community Action, \$500 to Kimberly High School FFA Chapter, \$500 to Habitat for Humanity, \$500 to Sleep in Heavenly Peace, \$500 to the Twin Falls Animal Shelter, \$500 to Interlink Volunteer Caregivers, \$500 to Valley House Homeless Shelter, \$500 to Change-4-Change, \$500 to Light of Hope, \$500 to the Magic Valley Arts Council, \$400 to the Twin Falls Optimist Youth House, \$400 to the Walker Center, \$400 to the East End Providers, \$400 to the Hansen Elementary School, \$300 to the American Red Cross, and \$300 to Children's Museum of Magic Valley. Apart from two years Covid cancellation, 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 several 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 our efforts on an annual basis to determine the direction of this statement. Employees will be kept abreast 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 OPERATION

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

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

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

All Branches close their ITM facilities at 6:00 Monday through Friday

All Branches have their ITM facilities open from 9:00 to 2:00 on Saturday