



2024

FARMERS BANK
COMMUNITY REINVESTMENT ACT STATEMENT

The primary area served by Farmers Bank, Buhl Office shall encompass Block Numbering Areas 9803, 9804, and 9805 as defined by the U.S. Department of Commerce, Bureau of the Census' Tract and Block Numbering Area Reports. These blocks include the West Salmon Falls Division, the Buhl Division, and the Filer Division of Southern Idaho. The primary communities within this service area are Buhl, Castleford and Filer.

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 would review any future requests within the scope of the existing loan policy. The Bank currently extends approximately 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 Buhl Office booked one new tax free loan in 2023. This loan to the Valley View Mennonite Church and School assisted with updates to school classrooms, updates to the church, and expansion of their existing kitchen. A 2022 loan to the Castleford School District allowed for the purchase of a new 77 passenger school bus. The Buhl Office also extended a tax free loan to the Castleford School District in 2020 to finance a new 77 passenger bus. This rural school district is able to own and operate their own transportation fleet with the help of Farmers Bank. A 2019 tax free 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. Loans of note in 2018 include a loan to the Castleford School District to purchase a new 66 passenger bus. 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 new North Canyon Medical Clinic in Buhl. The Buhl Office 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. The Buhl Office has financed new business and business expansion within the Bank's service area. A 2023 business expansion loan was made to Whitson, LLC. Whitson, LLC constructed a 20,000 square foot warehouse in Filer. This facility will be used to store farm inputs such as fertilizer and seed. Whitson, LLC anticipates hiring an additional three employees for this location. Two 2023 business expansion loans were made to Vista Construction and Remodeling to purchase a work pickup and a backhoe. Vista Construction and Remodeling can address additional residential and commercial projects more efficiently. Three additional employees were added as a result of this expansion. 2022 loans of note include two loans to Jantz Builders that allowed this local business person to purchase the vacant Agri Service building and adjoining fenced lot in Buhl. Jantz Builders manufactures, displays, houses, and sells storage sheds of all sizes at this location. Jantz Builders initially planned to employ four to seven full-time employees at this facility. The Bank did participate with SBA on one of the loans for a short period. A loan to Bookhaven, LLC allowed a local couple to purchase the inventory and equipment to re-open a bookstore in Buhl. The original bookstore was closed when a family member passed unexpectedly. This bookstore is located in downtown Buhl and the re-opening has been beneficial to Buhl's main retail area. An additional 2022 loan to Vista Construction and Remodeling allowed a local sole proprietor to purchase a service pickup and start up a construction business. Vista Construction and Remodeling employs retired and semi-retired individuals that do not want full-time employment on a part-time basis when feasible. In 2021, the Buhl Office financed three extensions of credit to a local businessman to start-up Filer Storage and Jerome Storage. This Filer based businessman cleaned up large parcels of property and installed multiple storage units. A 142-unit Filer facility was completely rented in 2021. An additional 45-unit facility located in the Filer area is on property that was leased from the Eastern Idaho Railroad. The Jerome facility consists of 90 units with nearly 70% of these rented in 2021. Many of these units at all three locations are split rentals allow for far more than the 277 units at the three facilities. This businessman and his wife employed an additional six employees at inception. A 2020 construction loan to Sage Crest Retirement Village was extended to start the construction of an eight to 16 bed assisted living facility and a four-unit independent living facility. Sage Crest anticipated hiring an administrator, an RN, six caretakers, a cook and a maintenance worker at inception. Additional staff is being hired as the facility expands. A 2019 loan to Rocky Mountain Flooring, Inc. allowed for the construction of a 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. The 2019 loan to this Buhl based businessman allowed for the expansion of his commercial flooring presence in Twin Falls and throughout the Magic Valley. SBA did participate in the final financing of this project upon the completion of the construction. A 2019 loan to Rob Company assisted a local businessman with the startup venture renting portable toilets. These units are used primarily at Federal Government fire camps. The Bank financed the vacuum tank portion of this business. The portable toilets, portable lights, supplies, and a truck that supplies fresh water were financed by the vendor. Rob Company hired one additional employee with experience in this line of work. The Bank completed a 2018 construction loan to North Canyon Medical to construct a medical clinic in Buhl. This 5912 square foot facility completed in 2018 expanded medical services to the west end of the Magic Valley. This new facility also expanded employment opportunities in and around Buhl. A 2016 loan to Heritage Land Holdings, LLC allowed for the purchase of 18 plus acres of land north of Filer that is plotted for housing lots of either one half acre or a full acre. The Bank has continued to assist in a number of farm and trucking starts and expansions in the Buhl service area. A 2022 loan to the owners of Triple J Dairy, Inc allowed for the purchase of an additional heifer facility. This expansion allowed Triple J Dairy to employ an additional three employees. A 2020 loan to Taylor Trucking allowed for the expansion of this local milk hauling fleet. Taylor Trucking was able to service additional dairies and add employees.

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 loans 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, Buhl Economic Council, Valley Vista Village, West End Men's Association, Rotary International, Kiwanis International, and local school boards. Employees have been active in the Idaho Small Business Administration Board of Directors and Loan Committee, the Buhl Chamber of Commerce, the Twin Falls County Youth Diversion Board, the Idaho Total Beef Program, the Idaho Banker's Agricultural Committee, the University of Idaho Dairy Committee, the Idaho Society of Rural & Farm Appraisers, 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, Gooding, Jerome, and Lincoln 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 wreathes 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, \$4,500 to the Twin Falls County Fair Animal Sale, \$2,500 to Twin Falls Business Plus for projects throughout the Magic Valley, \$2,500 to the Twin Falls County Fair Swine Pens Project, \$2,500 to the Buhl Tribe Pride Baseball and Softball Building, \$1,500 to the Castleford High School Scoreboard Project, \$1,200 to Buhl Youth Sports team sponsorships, \$1,000 to the College of Southern Idaho Foundation, \$1,000 to the Castleford Men's Club, \$1,000 to the University of Idaho Foundation, \$1,000 to Buhl High School, \$1,000 to the Filer High School, \$1,000 to the Magic Valley Shriners Patient Travel Fund, \$1,000 to the Wellness Tree Community Clinic, \$750 to the West End Ministerial Association Food Pantry, \$750 to the West End Senior Citizens Center, \$500 to Safe House, \$500 to the Buhl Economic Council, \$500 to Buhl American Legion Baseball, \$500 to the Clover Lutheran School, \$500 to the Deep Creek Mennonite School, \$500 to the Valley View Mennonite School, \$500 to Jubilee House, \$500 to the Filer Senior Center, \$500 to the Fifth Judicial District CASA Program, \$500 to the USO, \$500 to the Boys and Girls Club, \$500 to Buhl High School FFA Chapter, \$500 to the Filer High School FFA Chapter, \$500 to the Castleford High School FFA Chapter, \$400 to Habitat for Humanity, \$400 to Interlink Volunteer Caregivers, \$300 to Valley House Homeless Shelter, \$300 to the Buhl Public Library, \$300 to the Buhl High School Choir and Band, \$300 to the Walker Center,

\$300 to the American Red Cross, and \$300 to the Buhl Rodeo Association. 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