



2024

FARMERS BANK
COMMUNITY REINVESTMENT ACT STATEMENT

The primary area served by Farmers Bank, Jerome Office shall encompass Block Numbering Areas 9701, 9702, 9703, 9704, and 9705 as defined by the U.S. Department of Commerce, Bureau of the Census' Tract and Block Numbering Area Reports. These blocks include the Hunt Division, the Eden-Hazelton Division, and the Jerome Division of Southern Idaho. The primary communities within this service area are Eden, Hazelton, and Jerome.

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 2023 loan to A&W Properties allowed for the construction of seven separate four-plex units for a total of 28 new units. This construction will allow for additional affordable rental options in the Jerome service area. A 2021 loan extension to A&W Properties provided seven four-plex units in Jerome. 26 of the original 28 units were rented when the 2023 loan was completed. A 2023 loan to Elk Ridge RV LLC allowed for the construction of a Class A RV Park in Jerome County. Elk Ridge RV Park will have 91 full-service RV units, a pool, laundry facility, general store, game room, managers quarters, enclosed RV storage and a number of park amenities. The park intends to provide temporary housing for workers in the area and recreational visitors. Parks in the greater Magic Valley have noted longer term housing needs being filled by RV parks for area residents that have sold existing homes and have not settled into permanent housing to date. A 2023 loan to Gaver & Sons Inc was completed to assist with the development of a 20 lot subdivision located two and one half mile west of Jerome. Gaver & Sons will develop this 25.67 acres into 20 lots to be sold to buyers looking to build. Past financing of note includes, but is not limited to, a loan to the Stonebridge Assisted Living Center of Wendell. This loan was initiated in the Jerome Office and followed an interim construction loan that facilitated the building of a 16-bed assisted living facility in Wendell. A loan made to Stone Ridge Estates, LLC was initiated in the Jerome Office and allowed for the development of phase two of the Stone Ridge Estates subdivision in Twin Falls. An additional 31 lots were added to this subdivision. 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 Jerome office has not extended tax free financing in past five years. Past loans of note include, but are not limited to, a 2018 loan to the Valley Recreation District to purchase a new Walker mower to service the city parks in Eden and Hazelton. A loan to the City of Jerome Fire Department was extended to allow for the purchase of a new fire truck. The Jerome 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 Jerome Office has financed new businesses and business expansion within the Bank's service area. A 2023 loan extension to G&G Storage LLC allowed for the construction of phase one of an RV and self-storage facility on Highway 93 in Jerome County. Phase 1 includes a 14-unit RV storage facility and a 64-unit self-storage facility. The Bank also completed business expansion loans in 2023. Idaho Hydrojetting Inc has continued their business growth with financing from Farmers Bank. This Jerome based business added a 2023 Cat 279D3 multi-terrain loader and a one-ton truck to pull their hydroblasting trailers and transport six newly hired employees. Rim Rock Leasing also continued growing with the addition of an edge tracked trammel compost screener with financing from Farmers Bank. A 2022 loan to Robinson Property Development assisted in the construction of a professional office building in Jerome that was leased by Valley Therapy Services, Inc. Valley Therapy Service's primary service is speech therapy. Valley Therapy Service also provides some occupational health therapy. A 2022 loan to Ag Equipment Southwest Corporation assisted with the construction of a Farm Equipment USA sales and service center in Jerome. A construction loan extended to DeVan LLC in 2022 assisted with the opening of a new Tommy's Express Car Wash in Jerome. These business owners have another Tommy's Express facility in the Bank's service area. The Jerome facility opened in the 2023 and the owners anticipated employing approximately 25 people. Three additional loans were written in 2022 to Idaho Hydrojetting, Inc. This Jerome based business expanded into the hydro-blasting field which allows for greatly increased PSI levels. Farmers Bank financing provided for the purchase of a Jetstream X4200D water blasting system and trailer, a 2022 Kenworth truck equipped with a high pressure Vactor Combination sewer cleaner, and three additional 2022 service vehicles. Idaho Hydrojetting expanded their workforce by approximately seven employees in 2022. A 2022 loan to a Buhl/Filer based customer allowed for an additional Jerome Storage facility. Late in 2021, the first Jerome Storage location was opened with 90 storage units available. The 2022 expansion on adjacent property allowed for an additional 73 40-foot storage containers and 38 20-foot storage containers. Jerome storage cleaned up these parcels and provided for a secure storage rental option within the Bank's Jerome service area. A 2021 loan to Suitter Enterprises, LLC allowed for a trucking business startup. This Jerome based entity operates in Idaho and bordering states. A 2021 loan to High Meadows Trucking, LLC assisted with a business startup. High Meadows completes livestock long hauls. A 2021 loan to A&A Direct Transport, LLC allowed for a trucking business expansion. A&A Direct Transport completes a dedicated long-haul route for Magic Valley Quality Milk. Past loans of note include, but are not limited to, a 2020 loan to Johnson Transport for a business startup in the Bank's service area. This independent operator contracts with an established Jerome based commodities hauler to transport hay and straw. A 2018 loan to Magic Valley Quality Milk, LLC assisted with a 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 on this loan. Two loans written in 2017 to Sparky's Property Management and Electrical Maintenance, LLC provided for the startup of a new electrical business.

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, 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 of Directors and Loan Committee, the Jerome Chamber of Commerce, the Magic Valley Dairy Days program, Twin Falls County Youth Diversion Board, Gooding County Youth Diversion Board, 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 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, Twin Falls, and Lincoln County Fairs Fat Stock 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, \$2,500 to Twin Falls Business Plus for projects throughout the Magic Valley, \$2,000 to the Jerome County Fair Animal Sale, \$1,300 to the Lincoln and Camas County Fair Animal Sale, \$1,000 to Jerome 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, \$500 to Safe House, \$500 to the USO, \$500 to the Jerome Senior Center, \$500 to the Jerome High School FFA Chapter, \$500 to Jubilee House, \$500 to the Fifth Judicial District CASA Program, \$400 to Habitat for Humanity, \$400 to the Jerome Community Trust, \$400 to the Jerome Food Ministry, \$400 to Interlink Volunteer caregivers, \$300 to Valley House Homeless Shelter, \$300 to the Walker Center, \$300 to the Silver & Gold Senior Center in Eden, \$300 to the Northside Military Museum, \$300 to the American Red Cross, and \$300 to the Jerome Public Library Foundation.

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.

11-10-23

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