

# CRA

## CRA Public File

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# The Farmers Bank

## Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community, consistent with safe and sound banking practices and operations. The FDIC takes this record into account when approving certain applications submitted by us.

### **Your involvement is encouraged.**

You are entitled to certain information about our operations and performance under CRA, including for example, information about our branches, such as their location and services provided by them, the public section of our most recent CRA performance evaluation, prepared by the FDIC, and comments received from the public relating to our performance in helping meet community credit needs, as well as our responses to such comments. You have the right to request and review this information on any business day.

At least 30 days before the beginning of each quarter, the FDIC publishes a list of the financial institutions that are scheduled for CRA examinations in the coming quarter. This list is available from:

Chicago Regional Director  
Division of Depositor and Consumer Protection  
Federal Deposit Insurance Corporation  
300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606.

You may send written comments about our performance in helping to meet community credit needs to:

CRA Officer  
The Farmers Bank  
9 East Clinton Street  
Frankfort, Indiana 46041

and/or to the FDIC Regional Director at the above listed address. You may also submit comments electronically through the FDIC's Web site at [www.fdic.gov/regulations/cra](http://www.fdic.gov/regulations/cra). Your letter together with any response by us will be considered by the FDIC when evaluating our CRA performance and may be made public.

You may also ask to look at any comments received by the FDIC Regional Director. You may also request an announcement of our applications covered by CRA filed with the FDIC, from the FDIC Regional Director.

The Farmers Bank is owned by The Farmers Bancorp, a one bank holding company. You may request an announcement of our applications covered by CRA, filed by holding companies from The Federal Reserve Bank of Chicago, 230 South La Salle Street, Chicago, Illinois 60604.

Reviewed by CRA Council on March 22, 2024

The Farmers Bank has not received any written comments pertaining to the Community Reinvestment Act for the current year or each of the prior two calendar years.

# **PUBLIC DISCLOSURE**

July 25, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Farmers Bank, Frankfort, Indiana  
Certificate Number: 12828

9 East Clinton Street  
Frankfort, Indiana 46041

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

**The Community Development Test is rated Satisfactory.**

- The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

## DESCRIPTION OF INSTITUTION

The Farmers Bank, Frankfort, Indiana (The Farmers Bank) is a full-service commercial bank headquartered in Frankfort, Indiana. Frankfort is in Clinton County, which is located in north-central Indiana approximately 45 miles northeast of Indianapolis. The bank is a wholly-owned subsidiary of The Farmers Bancorp, a one-bank holding company also located in Frankfort. The bank received a Satisfactory rating at its previous FDIC CRA Performance Evaluation dated June 1, 2020, based on Interagency Intermediate Small Institution Examination Procedures. The bank does not have any affiliate or subsidiary relationships that influenced this evaluation.

The Farmers Bank operates nine full-service offices across three contiguous Indiana counties. The bank also maintains one limited-service office and one loan production office, both of which are located within this same three-county area. The bank did not open or close any offices since the previous evaluation.

The bank continues to offer traditional loan and deposit products. Primarily a commercial lender, the bank offers a variety of loan products, including commercial real estate mortgages, commercial/industrial loans, commercial lines of credit, home mortgage loans, home equity lines of credit, agricultural loans, and consumer installment loans. Deposit product offerings include checking, savings, certificates of deposit, health savings accounts, and individual retirement accounts. The bank also offers alternative delivery systems including ATMs, online banking, and mobile banking.

The Farmers Bank's assets totaled \$845.2 million as of March 31, 2023. This figure includes total loans of \$599.7 million and securities totaling \$186.8 million. The Farmers Bank currently has total deposits of \$671.8 million. Total assets, loans, and deposits have all grown by 35.0 to 40.0 percent since the previous evaluation. Specifically, total assets increased by \$226.1 million, or 36.5 percent, since March 31, 2020. Total loans increased by 39.1 percent, and total deposits by 35.7 percent, over the same timeframe.

Commercial lending, including both commercial real estate and commercial/industrial loans, makes up nearly two-thirds of the bank's loan portfolio by dollar volume and represents the bank's primary lending focus. The bank's focus on commercial lending has strengthened since the previous evaluation, with total commercial lending increasing from 58.2 percent of the total portfolio at the previous evaluation to 65.7 percent currently. One-to-four family residential mortgage lending makes up the next largest share of the loan portfolio at \$67.2 million or 11.2 percent. Agricultural lending, including farmland-secured loans, has declined modestly over the evaluation period as a percentage of the total lending, and it currently makes up slightly less than 10.0 percent of the total portfolio.

Additionally, the bank sells home mortgage loans on the secondary market. For example, according to Home Mortgage Disclosure Act (HMDA) data, the bank sold 127 home mortgage loans totaling \$23.0 million on the secondary market in 2022. These sales were out of 452 total originations totaling \$58.6 million.

The following table provides a breakdown of the bank's loan portfolio by category as of March 31, 2023.

<b>Loan Portfolio Distribution as of 3/31/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	45,601	7.6
Secured by Farmland	31,350	5.2
Secured by 1-4 Family Residential Properties	67,164	11.2
Secured by Multifamily (5 or more) Residential Properties	20,227	3.4
Secured by Nonfarm Nonresidential Properties	309,514	51.6
<b>Total Real Estate Loans</b>	<b>473,856</b>	<b>79.0</b>
Commercial and Industrial Loans	84,237	14.1
Agricultural Production and Other Loans to Farmers	23,492	3.9
Consumer Loans	15,439	2.6
Obligations of State and Political Subdivisions in the U.S.	2,625	0.4
Other Loans	76	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
<b>Total Loans</b>	<b>599,725</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that would limit the institution's ability to meet assessment area credit needs.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which examiners evaluate its CRA performance. The Farmers Bank delineated two assessment areas. One assessment area is located in the nonmetropolitan portion of Indiana (Indiana Non-MSA), and the other is located in the Indianapolis-Carmel-Anderson, Indiana Metropolitan Statistical Area (Indianapolis MSA). Since the previous evaluation, the bank modified the Indianapolis MSA assessment area to include only Boone and Hamilton counties, removing portions of Marion County. The Indiana Non-MSA assessment area remains unchanged. The assessment areas do not arbitrarily exclude low- or moderate-income census tracts, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulations.

The following table provides general information on each assessment area. Refer to the specific assessment area sections of this evaluation for more information.

<b>Description of Assessment Areas</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of Census Tracts</b>	<b># of Full-Service Bank Offices</b>
Indiana Non-MSA	Clinton	8	5
Indianapolis MSA	Boone, Hamilton	68	4
<i>Source: Bank Data</i>			



## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated June 1, 2020, to the current evaluation dated July 25, 2023. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate The Farmers Bank’s CRA performance. These procedures include two tests: the Lending Test and the Community Development Test. Banks must earn at least a Satisfactory rating under each test in order to receive a Satisfactory overall CRA rating. The appendices include a summary of the specific criteria evaluated under each of these tests.

Examiners conducted full-scope reviews of both assessment areas. Performance in the Indiana Non-MSA assessment area carried greater weight when arriving at overall conclusions since this assessment area contains a larger portion of bank operations and activities. Of the two assessment areas, the Indianapolis MSA assessment area contained a slightly higher dollar volume of home mortgage lending, but the Indiana Non-MSA had a higher volume of home mortgage loans by number throughout the evaluation period (581 vs. 427). The following table provides a breakdown of full-service offices, HMDA loans, and deposits by assessment area.

<b>Assessment Areas by Number of Offices, Loans, and Deposits</b>					
Assessment Area	# of Full-Service Offices	HMDA Loans*		Deposits	
		\$(000s)	%	\$(000s)	%
Indiana Non-MSA	5	66,430	48.9	417,816	62.5
Indianapolis MSA	4	69,418	51.1	250,807	37.5
<b>Total</b>	<b>9</b>	<b>135,848</b>	<b>100.0</b>	<b>668,623</b>	<b>100.0</b>

*Source: Bank Records, FDIC Summary of Deposits (6/30/2022). \*Loans include 2020-2022 HMDA loan originations.*

### Activities Reviewed

For the Lending Test, examiners analyzed home mortgage and small business lending. Examiners reviewed all home mortgage loan originations reported on the bank’s 2020, 2021, and 2022 HMDA Loan Application Registers. The following table presents the total number of home mortgage loan originations for each year reviewed.

<b>Home Mortgage Loan Universes</b>		
<b>Year</b>	<b>#</b>	<b>\$(000)</b>
2020	456	68,503
2021	341	58,170
2022	452	58,562

*Source: 2020-2022 HMDA data*

For small business lending, examiners analyzed a sample of loans given that address and revenue information was not readily available for the full lending universe. From a universe of 205 small business loans totaling \$56.7 million, examiners selected a random sample of 91 loans totaling \$26.1 million. The universe included all small business loan originations and renewals from 2022.

Examiners did not review small farm lending as this product offering makes up a relatively small portion of the bank's loan portfolio and is not currently a major business focus of the bank. As of March 31, 2023, farmland-secured and agricultural loans collectively make up less than 10.0 percent of the bank's total loan portfolio.

In arriving at overall performance conclusions, home mortgage lending carried more weight than small business lending. Examiners based this weighting on the larger number and dollar volume of home mortgage originations during the evaluation period compared to small business loans.

Examiners evaluated The Farmers Bank's lending performance through comparisons to 2020-2021 HMDA aggregate data, U.S. Census demographic data, and 2022 D&B business demographic data. For home mortgage lending, examiners used different demographic data depending on the particular year under review. For 2020 and 2021 analysis, examiners used 2015 American Community Survey (ACS) demographic data. For 2022 analysis, examiners used the more recent 2020 U.S. Census demographic data.

This evaluation presents both the number and dollar volume of loan originations. However, examiners generally focused on performance by number of loans, as this is a better indicator of the number of individuals and businesses served.

Finally, examiners considered all community development loans, qualified investments, and community development services since the bank's prior CRA evaluation dated June 1, 2020. Prior-period qualified investments received credit for the outstanding balance as of this evaluation date, as applicable.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The Farmers Bank demonstrated Satisfactory performance under the Lending Test. The bank's performance under each Lending Test criterion supports this overall conclusion.

### **Loan-to-Deposit Ratio**

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio was 80.5 for the evaluation period. Consistent with nationwide trends, the bank's loan-to-deposit ratio declined during the COVID-19 pandemic as deposit growth outpaced lending activity. The bank's ratio averaged approximately 74.0 percent throughout 2021 and the first quarter of 2022. However, the ratio rebounded in recent quarters, reaching a high of 92.0 percent as of December 31, 2022.

Examiners evaluated The Farmers Bank's performance under this criterion through comparisons to five similarly situated banks. Examiners selected these banks based on asset size, geographic location, and lending focus. Throughout the evaluation period, The Farmers Bank maintained a loan-to-deposit ratio higher than four of these banks and lower than one bank.

The following table details the current asset sizes and average loan-to-deposit ratios throughout the evaluation period for The Farmers Bank and the five similarly situated banks.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2023 (\$000s)	Average Net LTD Ratio (%)
<b>The Farmers Bank (Frankfort, IN)</b>	<b>845,165</b>	<b>80.5</b>
Community First Bank of Indiana (Kokomo, IN)	658,367	95.7
The North Salem State Bank (North Salem, IN)	598,127	79.2
State Bank (Brownsburg, IN)	763,965	77.8
Citizens State Bank (New Castle, IN)	800,473	57.0
Greenfield Banking Company (Greenfield, IN)	837,822	56.2
<i>Source: Reports of Condition and Income 6/30/2020 - 3/31/2023</i>		

### Assessment Area Concentration

A majority of loans and other lending-related activities are in the institution’s assessment areas. As detailed in the table below, 80.7 percent of the bank’s total HMDA lending by number from 2020 to 2022 was inside the assessment areas. The percentage of sampled small business loans inside the assessment areas was lower, at 58.2 percent, but still represented a majority of lending.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	363	79.6	93	20.4	456	52,214	76.2	16,289	23.8	68,503
2021	277	81.2	64	18.8	341	39,982	68.7	18,188	31.3	58,170
2022	368	81.4	84	18.6	452	43,651	74.5	14,911	25.5	58,562
<b>Subtotal</b>	<b>1,008</b>	<b>80.7</b>	<b>241</b>	<b>19.3</b>	<b>1,249</b>	<b>135,847</b>	<b>73.3</b>	<b>49,388</b>	<b>26.7</b>	<b>185,235</b>
Small Business										
2022	53	58.2	38	41.8	91	11,335	43.4	14,788	56.6	26,123
<b>Subtotal</b>	<b>53</b>	<b>58.2</b>	<b>38</b>	<b>41.8</b>	<b>91</b>	<b>11,335</b>	<b>43.4</b>	<b>14,788</b>	<b>56.6</b>	<b>26,123</b>
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Performance was consistent across both assessment areas. Refer to the separate assessment area sections of this evaluation for more information.

## **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's Borrower Profile performance was reasonable in both assessment areas. Refer to the separate assessment area sections of this evaluation for more information.

## **Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## **COMMUNITY DEVELOPMENT TEST**

The Farmers Bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities. Examiners evaluated The Farmers Bank's community development performance through comparisons to three similarly situated banks. These banks have relatively similar or larger asset sizes, and operate in roughly the same geographic areas as The Farmers Bank.

## **Community Development Loans**

During the evaluation period, The Farmers Bank originated 72 community development loans totaling approximately \$19.9 million in both assessment areas. The Farmers Bank's community development lending represents 2.4 percent of total assets and 3.4 percent of total loans. However, a majority of those loans were originated through the Paycheck Protection Program (PPP) in response to the 2020 COVID-19 pandemic. The United States Small Business Administration (SBA) guarantees PPP loans. They were part of a temporary program designed to help businesses retain their workforce during the pandemic. The Farmers Bank originated 21 non-PPP loans totaling approximately \$14.1 million dollars during this period. Excluding PPP loans, The Farmers Bank's community development lending represents 1.7 percent of total assets and 2.4 percent of total loans. Using these adjusted percentages, The Farmers Bank's performance was higher than two banks and lower than the third bank. Furthermore, Boone and Hamilton Counties, which comprise the bank's Indianapolis MSA assessment area, are two of the wealthiest counties in Indiana. Neither county has any low-income or moderate-income tracts. Therefore, community development lending opportunities in that assessment area are limited. Refer to the separate assessment area sections of this evaluation for more information on specific community development loans in those areas.

Community Development Loans by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Indiana Non-MSA	2	1,742	10	3,731	17	755	0	0	29	6,228
Indianapolis MSA	1	6,000	7	1,409	11	2,193	0	0	19	9,602
Regional Activities	0	0	5	1,666	18	2,337	1	100	24	4,103
<b>Total</b>	<b>3</b>	<b>7,742</b>	<b>22</b>	<b>6,806</b>	<b>46</b>	<b>5,285</b>	<b>1</b>	<b>100</b>	<b>72</b>	<b>19,933</b>

Source: Bank Data

### Qualified Investments

The bank’s qualified investments and donations during the evaluation period totaled \$1.2 million. The bank maintained one equity investment totaling \$957,000 and made 256 donations totaling \$229,000. The equity investment provided financing for a 36-unit Low Income Housing Tax Credit (LIHTC) housing development in Marion County. Outside of its assessment areas, the bank donated to organizations that provide community services to low- and moderate-income individuals, primarily in Marion County. The following table outlines the bank’s qualified investments and donations by assessment area and community development category.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Indiana Non-MSA	0	0	116	175	4	3	6	16	126	194
Indianapolis MSA	0	0	54	19	7	8	0	0	61	27
Regional Activities	1	957	59	8	0	0	0	0	60	965
<b>Total</b>	<b>1</b>	<b>957</b>	<b>229</b>	<b>202</b>	<b>11</b>	<b>11</b>	<b>6</b>	<b>16</b>	<b>247</b>	<b>1,186</b>

Source: Bank Data

Refer to the separate assessment area sections of this evaluation for more information on specific qualified investments in those areas.

### Community Development Services

Bank employees provided 133 instances of community development services during the evaluation period. This total includes 126 services in the Indiana Non-MSA assessment area, 4 services in the Indianapolis MSA assessment area, and 3 services that benefitted a broader regional area that includes the bank’s assessment areas. The regional services were related to a bank employee serving on the board and loan committee of a Marion County organization that provides financing to small businesses. Refer to the separate assessment area sections of this evaluation for more information on specific community development services in those areas.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

### **INDIANA NON-MSA – Full-Scope Review**

#### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN INDIANA NON-MSA**

The Indiana Non-MSA assessment area includes all of Clinton County. This assessment area contains the bank's headquarters, five additional full-service offices, and one limited-service office. The limited-service office is located in a retirement community in Frankfort.

#### **Economic and Demographic Data**

The assessment area contains eight census tracts. According to 2020 U.S. Census data, three of these tracts are moderate-income, and five are middle-income. The three moderate-income tracts are contiguous and located in Frankfort, and the number of moderate-income tracts in the assessment area has increased since the previous evaluation. In comparison, according to 2015 ACS data, the county included one moderate-income tract, four middle-income tracts, and three upper-income tracts.

The following table details select demographic and economic characteristics of the assessment area based on the 2020 U.S. Census data.

Demographic Information of the Assessment Area						
Assessment Area: Indiana Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	37.5	62.5	0.0	0.0
Population by Geography	33,190	0.0	36.2	63.8	0.0	0.0
Housing Units by Geography	13,376	0.0	34.5	65.5	0.0	0.0
Owner-Occupied Units by Geography	8,511	0.0	25.1	74.9	0.0	0.0
Occupied Rental Units by Geography	3,633	0.0	53.0	47.0	0.0	0.0
Vacant Units by Geography	1,232	0.0	44.4	55.6	0.0	0.0
Businesses by Geography	2,392	0.0	32.1	67.9	0.0	0.0
Farms by Geography	304	0.0	8.6	91.4	0.0	0.0
Family Distribution by Income Level	7,838	17.4	21.3	22.8	38.5	0.0
Median Family Income Non-MSAs – IN		\$67,032	Median Housing Value			\$115,007
			Median Gross Rent			\$754
			Families Below Poverty Level			6.9%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is largely rural, with a population of slightly more than 33,000, which has remained stable over the last several years. Approximately half of the assessment area’s residents live in Frankfort. The county’s unemployment rate was low for most of the evaluation period, following a spike at the beginning of the COVID-19 pandemic in 2020. According to United States Bureau of Labor Statistics data, as of May 2023, the unemployment rate in Clinton County was 3.0 percent. Unemployment in Clinton County was lower than the Indiana statewide rate of 3.5 percent for this same timeframe. Major employers in the assessment area include Frito-Lay, Zachary Confections, and Federal-Mogul, all of which operate manufacturing facilities in Frankfort.

Examiners used median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents median family income levels for the Indiana Non-MSA assessment area, as updated by the Federal Financial Institutions Examination Council (FFIEC).

Median Family Income Ranges – Indiana Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$63,800)	<\$31,900	\$31,900 to <\$51,040	\$51,040 to <\$76,560	≥\$76,560
2021 (\$64,600)	<\$32,300	\$32,300 to <\$51,680	\$51,680 to <\$77,520	≥\$77,520
2022 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
<i>Source: FFIEC</i>				

## **Competition**

Given Clinton County's relatively low population, the assessment area has a moderate level of competition in the market for financial services. According to FDIC Deposit Market share data as of June 30, 2022, four FDIC-insured institutions operate nine full-service offices in the assessment area. Two credit unions also maintain offices in Frankfort. Among the FDIC-insured banks, The Farmers Bank had the largest deposit market share by a wide margin, holding 69.3 percent of all assessment area deposits, which is consistent with the bank's market share at the previous evaluation. The three other banks in the assessment area are regional banks with asset sizes significantly larger than The Farmers Bank.

Moderate levels of competition also exist for home mortgage and small business loans. According to aggregate HMDA data, 143 lenders originated or purchased 1,366 home mortgage loans in the assessment area in 2021. The Farmers Bank ranked second with a market share of 11.8 percent by number of loans. Other top home mortgage lenders are larger regional banks and nonbank mortgage lenders, including Ruoff Mortgage Company and Rocket Mortgage. Additionally, 48 lenders reported 387 small business loans originated or purchased in the assessment area in 2021. The Farmers Bank was not included in this group of lenders, as it is not required to report CRA small business loan data.

## **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit and community development opportunities are available.

Examiners contacted a representative of a community development-related organization in the assessment area. The contact stated that the assessment area's local economy is performing well, particularly the job market. Major employers in the assessment area have steadily expanded operations and hired additional workers in recent years. As a result, some local employers are now struggling to find qualified employees to fill open positions.

Housing of all types is a significant need in the assessment area. The contact explained that housing is needed for all income levels, including affordable housing for lower-income residents. The contact stated that there is a need for flexible lending programs that allow families to achieve homeownership. Finally, the contact had a generally positive impression of local banks and credit unions in meeting community needs.

## **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage loans are a primary credit need in the assessment area. More specifically, additional affordable housing is a significant need in the assessment area. Opportunities for revitalization and stabilization initiatives are present in the three moderate-income tracts in Frankfort. Finally, with more than 38.0 percent of assessment area



families considered low- or moderate-income, community services for low- and moderate-income individuals represents another community development need.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN INDIANA NON-MSA**

### **LENDING TEST**

The Farmers Bank demonstrated reasonable performance under the Lending Test in the Indiana Non-MSA assessment area. Both Geographic Distribution and Borrower Profile performance support this conclusion.

#### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Although small business lending performance was excellent, adequate performance for the more heavily-weighted home mortgage lending supports the overall conclusion.

#### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank's lending in moderate-income tracts lagged aggregate data in 2020, but slightly exceeded aggregate in 2021. Lending in moderate-income tracts increased substantially in 2022 as the number of moderate-income tracts in the assessment area increased. The bank's lending in these tracts exceeded the corresponding demographic data in 2022.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Assessment Area: Indiana Non-MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Moderate</b>						
2020	7.3	4.4	6	2.8	794	3.0
2021	7.3	3.7	7	4.3	452	2.4
2022	25.1	--	65	31.6	5,173	25.0
<b>Middle</b>						
2020	41.4	35.5	87	40.7	9,079	33.8
2021	41.4	44.1	76	47.2	8,289	43.9
2022	74.9	--	141	68.4	15,497	75.0
<b>Upper</b>						
2020	51.3	60.0	121	56.5	16,998	63.3
2021	51.3	52.1	78	48.4	10,147	53.7
2022	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>214</b>	<b>100.0</b>	<b>26,872</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>161</b>	<b>100.0</b>	<b>18,888</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>206</b>	<b>100.0</b>	<b>20,670</b>	<b>100.0</b>
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

***Small Business Loans***

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. As shown in the following table, in 2022, the bank’s lending in moderate-income tracts exceeded the percentage of businesses in these tracts by 8.6 percentage points.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Assessment Area: Indiana Non-MSA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate					
2022	32.1	11	40.7	2,396	60.5
Middle					
2022	67.9	16	59.3	1,566	39.5
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>3,962</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The bank demonstrated reasonable performance for both home mortgage and small business lending.

#### ***Home Mortgage Loans***

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. As shown in the following table, the bank's lending to low-income borrowers increased steadily throughout the evaluation period. Lending to low-income borrowers was only 0.1 percentage points below aggregate in 2021, and lending increased by 2.0 percentage points in 2022.

Lending to moderate-income borrowers was reasonable and remained relatively stable throughout the evaluation period. Although the bank's lending to moderate-income borrowers trailed aggregate data in 2020 and 2021, the bank's performance exceeded demographic data in those two years and was only 0.4 percentage points below the demographic in 2022.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Indiana Non-MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	19.0	6.2	9	4.2	554	2.1
2021	19.0	8.8	14	8.7	1,011	5.4
2022	17.4	--	22	10.7	1,199	5.8
<b>Moderate</b>						
2020	16.5	26.7	51	23.8	4,164	15.5
2021	16.5	26.1	31	19.3	2,580	13.7
2022	21.3	--	43	20.9	3,226	15.6
<b>Middle</b>						
2020	21.1	24.5	60	28.0	6,045	22.5
2021	21.1	25.3	44	27.3	4,792	25.4
2022	22.8	--	43	20.9	4,682	22.7
<b>Upper</b>						
2020	43.3	30.1	84	39.3	14,627	54.4
2021	43.3	27.2	66	41.0	9,548	50.5
2022	38.5	--	77	37.4	9,198	44.5
<b>Not Available</b>						
2020	0.0	12.5	10	4.7	1,482	5.5
2021	0.0	12.6	6	3.7	959	5.1
2022	0.0	--	21	10.2	2,365	11.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>214</b>	<b>100.0</b>	<b>26,872</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>161</b>	<b>100.0</b>	<b>18,888</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>206</b>	<b>100.0</b>	<b>20,670</b>	<b>100.0</b>
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. By number of loans, a majority of bank lending was to businesses with revenues of \$1 million or less, although this performance was still considerably below demographic data. However, the bank's performance was comparable to several similarly situated banks that exhibited reasonable performance under this criterion. As such, the bank's performance under this criterion is reasonable.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Assessment Area: Indiana Non-MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
≤\$1,000,000					
2022	86.0	16	59.3	1,703	43.0
>\$1,000,000					
2022	3.0	11	40.7	2,259	57.0
Revenue Not Available					
2022	11.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>3,962</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

## COMMUNITY DEVELOPMENT TEST

The Farmers Bank’s community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

### Community Development Loans

During the evaluation period, The Farmers Bank originated 29 community development loans totaling \$6.3 million, as shown in the following table. Most of these loans were PPP loans guaranteed by the SBA. Those loans helped retain jobs for low-or moderate-income individuals during the COVID-19 pandemic. Among the notable non-PPP loans were two loans totaling \$1.7 million to a drug addiction rehabilitation center. In addition, the bank granted a loan for \$1.5 million to a local high school where a majority of students receive free or reduced cost lunches.

<b>Community Development Lending</b>										
<b>Assessment Area: Indiana Non-MSA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>
2020	0	0	4	1,779	4	199	0	0	8	1,978
2021	1	871	3	227	13	556	0	0	17	1,654
2022	1	871	2	225	0	0	0	0	3	1,096
YTD 2023	0	0	1	1,500	0	0	0	0	1	1,500
<b>Total</b>	<b>2</b>	<b>1,742</b>	<b>10</b>	<b>3,731</b>	<b>17</b>	<b>755</b>	<b>0</b>	<b>0</b>	<b>29</b>	<b>6,228</b>
<i>Source: Bank Data</i>										

**Qualified Investments**

The bank’s qualified investments in this assessment area totaled \$194,000, all 126 of which were qualified donations. These donations primarily supported organizations that provide community services to low- and moderate-income individuals. For example, in 2021, the bank donated \$75,000 to support construction of a recovery house by a local organization that provides rehabilitation services to low-income individuals struggling with substance abuse. The bank also donated to organizations that provide various services to low- and moderate-income youth in Clinton County.

**Community Development Services**

During the evaluation period, bank employees provided 126 instances of financial expertise or technical assistance to various community-development related organizations in the assessment area. Most of these services supported the provision of affordable housing, which is a significant need in the assessment area. The following table outlines the bank’s community development services by year and category.

<b>Community Development Services Assessment Area: Indiana Non-MSA</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2020	27	2	0	1	<b>30</b>
2021	17	3	0	0	<b>20</b>
2022	28	4	0	0	<b>32</b>
YTD 2023	41	2	0	1	<b>44</b>
<b>Total</b>	<b>113</b>	<b>11</b>	<b>0</b>	<b>2</b>	<b>126</b>
<i>Source: Bank Data</i>					

Most of the bank’s community development services were related to bank employees processing customer grant applications through the Senior Homeowner Assistance for Repairs Program. Through this program, bank employees provide technical assistance to customers by helping them apply for home repair grants through the Federal Home Loan Bank of Indianapolis. Grants are available to low- and moderate-income senior citizens, and customers can use the funds for deferred maintenance repairs or accessibility modifications. Bank employees helped process grant applications for 110 households during the evaluation period, allowing these families to obtain over \$880,000 in home repair funds.

Other examples of community development services in this assessment area include bank employees serving as board members or officers of organizations that provide various community services to low- and moderate-income individuals. Additionally, two employees have served on the board of an organization that supports revitalization and stabilization of downtown Frankfort, a predominantly moderate-income area.

Finally, the bank operates its main office and its limited-service office in moderate-income tracts in Clinton County. These offices promote the accessibility of retail banking services for low- and

moderate-income individuals. As such, the presence of these offices positively affected the bank’s performance under the Community Development Test.

## INDIANAPOLIS MSA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN INDIANAPOLIS MSA

The Indianapolis MSA assessment area includes all of Boone and Hamilton Counties. These two counties are contiguous and part of the broader Indianapolis MSA. The counties include suburban communities immediately north of Indianapolis. The bank operates four full-service branch offices in this assessment area: three in Hamilton County and one in Boone County. In addition to these branches, the bank operates a loan production office in Hamilton County.

#### Economic and Demographic Data

The assessment area contains 68 census tracts. According to 2020 U.S. Census data, these include 25 middle-income tracts and 43 upper-income tracts. The assessment area does not contain any low- or moderate-income tracts.

The following table details select demographic and economic characteristics of the assessment area based on 2020 U.S. Census data.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	68	0.0	0.0	36.8	63.2	0.0
Population by Geography	418,279	0.0	0.0	30.1	69.9	0.0
Housing Units by Geography	157,147	0.0	0.0	34.7	65.3	0.0
Owner-Occupied Units by Geography	114,684	0.0	0.0	29.3	70.7	0.0
Occupied Rental Units by Geography	34,204	0.0	0.0	49.7	50.3	0.0
Vacant Units by Geography	8,259	0.0	0.0	47.1	52.9	0.0
Businesses by Geography	62,385	0.0	0.0	34.4	65.6	0.0
Farms by Geography	1,723	0.0	0.0	45.2	54.8	0.0
Family Distribution by Income Level	110,843	9.4	12.5	18.7	59.4	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Anderson, IN MSA		\$80,981	Median Housing Value			\$280,766
			Median Gross Rent			\$1,176
			Families Below Poverty Level			3.3%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2020 U.S. Census data, several material demographic changes in the assessment area have occurred compared to 2015 ACS data. Specifically, the total number of tracts in the assessment area increased from 49 to 68, reflecting the area’s strong population growth over this timeframe. The assessment area’s population increased by approximately 61,000, or roughly 17.0 percent, from 2015 to 2020. Additionally, although this two-county area contained three moderate-income tracts at the previous evaluation, the assessment area currently does not contain any low- or moderate-income tracts.

According to Moody’s Analytics, the local economy in the Indianapolis MSA continues to outperform state and national trends, although growth slowed in the early months of 2023. The Indianapolis area has a fairly well diversified local economy, with the logistics, pharmaceutical, and manufacturing industries continuing to perform well. Strong migration trends, and low business and living costs also benefit the local economy.

Unemployment rates in the assessment area were low for most of the evaluation period, following spikes at the beginning of the COVID-19 pandemic in 2020. According to United States Bureau of Labor Statistics data, annual unemployment rates in both counties were below 3.0 percent in both 2021 and 2022. As of May 2023, the unemployment rate was 2.7 percent in Boone County and 2.8 percent in Hamilton County. Unemployment in both counties was lower than the Indiana statewide rate of 3.5 percent for this same timeframe. According to Moody’s Analytics, the top three employers in the Indianapolis MSA are hospital networks (Indiana University Health, St. Vincent Hospitals & Health Services, and Community Health Network). Other top employers in the metropolitan area are Eli Lilly and Company, FedEx, and Amazon.

The following table presents median family income levels for the Indianapolis MSA assessment area, as updated by the FFIEC.

<b>Median Family Income Ranges – Indianapolis MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Indianapolis-Carmel-Anderson, IN MSA Median Family Income (26900)</b>				
2020 (\$79,600)	<\$39,800	\$39,800 to <\$63,680	\$63,680 to <\$95,520	≥\$95,520
2021 (\$79,700)	<\$39,850	\$39,850 to <\$63,760	\$63,760 to <\$95,640	≥\$95,640
2022 (\$91,900)	<\$45,950	\$45,950 to <\$73,520	\$73,520 to <\$110,280	≥\$110,280
<i>Source: FFIEC</i>				

**Competition**

The assessment area has a significant level of competition in the market for financial services. According to FDIC Deposit Market share data as of June 30, 2022, 29 FDIC-insured institutions operate 129 full-service offices in the assessment area, in addition to numerous credit unions. Among the FDIC-insured banks, The Farmers Bank ranked 15<sup>th</sup>, with a deposit market share of 1.2 percent. The bank’s market share has remained stable since the previous evaluation. The institutions with the highest market shares are Merchants Bank of Indiana, JPMorgan Chase Bank, and First Internet Bank of Indiana.



The markets for home mortgage and small business loans are similarly competitive. According to aggregate HMDA data, 514 lenders originated or purchased 37,604 home mortgage loans in the assessment area in 2021. The Farmers Bank ranked 68<sup>th</sup> with a market share of 0.3 percent by number of loans. The top two mortgage lenders in the assessment area in 2021 were Rocket Mortgage and JPMorgan Chase Bank. These two lenders each had market shares of just under 5.0 percent by number of loans. Additionally, 131 lenders reported 12,131 small business loans originated or purchased in the assessment area in 2021. The Farmers Bank was not included in this group of lenders, as it is not required to report CRA small business loan data.

### **Community Contacts**

Examiners contacted a representative of a community development-related organization in the assessment area. The contact stated that housing of all types, especially affordable housing, is a substantial need in the assessment area. This need is especially acute given the area's rapid and continued growth. The contact stated that developers have constructed several new housing developments with affordable housing units in recent years, including LIHTC projects, but the need for additional housing remains.

The contact stated that community banks are generally involved with local initiatives, including financial literacy and homebuyer counseling, and community banks routinely collaborate with nonprofit organizations. The contact identified nonprofit grant funding as an enduring need. The contact also stated that opportunities exist for bank personnel to become involved with local Boards of Directors and other community development service activities.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage loans are a primary credit need in the assessment area. Specifically, affordable housing is a substantial need in the assessment area given that the stock of affordable housing units has not kept pace with the area's sustained growth.

Community development opportunities are relatively limited in this assessment area considering that the area does not contain any low- or moderate-income tracts. Additionally, only 21.9 percent of families in the assessment area are considered low- or moderate-income, compared to 38.0 percent in the Indiana Non-MSA assessment area. However, in addition to the need for more affordable housing, opportunities exist for bank to support community services for the low- and moderate-income population that does reside in the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN INDIANAPOLIS MSA**

### **LENDING TEST**

The Farmers Bank demonstrated reasonable performance under the Lending Test in the Indianapolis MSA assessment area. Although the geographic distribution of home mortgage loans was excellent, reasonable performance under the remaining criteria supports the overall Lending Test conclusion.

## Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Home mortgage lending performance in 2020 and 2021 primarily supports this conclusion. As noted previously, with the release of 2020 U.S. Census data, the assessment area no longer contains any low- or moderate-income tracts. Examiners used 2020 U.S. Census data to evaluate the bank's performance in 2022. As such, examiners did not perform an in-depth review of the geographic distribution of small business loans in 2022 given the absence of low- or moderate-income tracts. Nonetheless, examiners noted the origination of home mortgage and small business loans throughout the assessment area in 2022, with no conspicuous gaps in lending identified.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank's lending in moderate-income tracts was well above aggregate levels in both 2020 and 2021. Notably, the bank's percentage of lending in moderate-income tracts was nearly six times the aggregate level in 2020. As noted previously, and as reflected in 2022 data in the following table, this assessment area no longer contains any low- or moderate-income tracts.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate						
2020	2.8	1.8	16	10.7	1,674	6.6
2021	2.8	2.2	8	6.9	1,679	8.0
2022	0.0	--	0	0.0	0	0.0
Middle						
2020	18.5	13.9	79	53.0	15,479	61.1
2021	18.5	15.2	69	59.5	12,682	60.1
2022	29.3	--	94	58.0	11,785	51.3
Upper						
2020	78.7	84.3	54	36.2	8,189	32.3
2021	78.7	82.6	39	33.6	6,733	31.9
2022	70.7	--	68	42.0	11,196	48.7
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>149</b>	<b>100.0</b>	<b>25,342</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>116</b>	<b>100.0</b>	<b>21,094</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>162</b>	<b>100.0</b>	<b>22,981</b>	<b>100.0</b>
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

## **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Although small business lending performance was poor, excellent performance for the more heavily-weighted home mortgage lending supports the overall conclusion.

### ***Home Mortgage Loans***

The distribution of borrowers reflects excellent penetration among individuals of different income levels. As shown in the following table, the bank's lending to both low- and moderate-income borrowers was considerably above aggregate levels in 2020 and 2021. Lending to moderate-income borrowers in 2022 exceeded demographic data, and lending to low-income borrowers was nearly identical to demographic data. These levels of lending reflect excellent performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	9.2	2.8	15	10.1	1,427	5.6
2021	9.2	3.3	11	9.5	778	3.7
2022	9.4	--	15	9.3	843	3.7
<b>Moderate</b>						
2020	12.3	11.1	31	20.8	3,447	13.6
2021	12.3	11.0	20	17.2	2,677	12.7
2022	12.5	--	31	19.1	2,446	10.6
<b>Middle</b>						
2020	16.5	18.0	32	21.5	3,423	13.5
2021	16.5	18.4	29	25.0	4,578	21.7
2022	18.7	--	29	17.9	3,265	14.2
<b>Upper</b>						
2020	62.1	54.6	61	40.9	14,972	59.1
2021	62.1	52.7	52	44.8	12,100	57.4
2022	59.4	--	77	47.5	14,615	63.6
<b>Not Available</b>						
2020	0.0	13.5	10	6.7	2,074	8.2
2021	0.0	14.6	4	3.4	961	4.6
2022	0.0	--	10	6.2	1,813	7.9
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>149</b>	<b>100.0</b>	<b>25,343</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>116</b>	<b>100.0</b>	<b>21,094</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>162</b>	<b>100.0</b>	<b>22,981</b>	<b>100.0</b>
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of borrowers reflects poor penetration among businesses of different sizes. By number of loans, less than half of bank lending was to businesses with revenues of \$1 million or less, or roughly half of the demographic comparison data. The bank's lending to businesses with revenues of \$1 million or less was 15.8 percentage points lower in this assessment area compared to performance in the Indiana Non-MSA assessment area. Additionally, the bank's performance was comparable to performance in this assessment area at the previous evaluation, when performance was also assessed as poor.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Assessment Area: Indianapolis MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
≤\$1,000,000					
2022	92.0	12	46.2	3,368	45.7
>\$1,000,000					
2022	2.6	14	53.8	4,005	54.3
Revenue Not Available					
2022	5.3	0	0.0	0	0.0
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>7,373</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

## COMMUNITY DEVELOPMENT TEST

The Farmers Bank’s community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

### Community Development Loans

During the evaluation period, The Farmers Bank originated 19 community development loans totaling \$9.6 million, as shown in the following table. Most of these loans were PPP loans guaranteed by the SBA. Those loans helped retain jobs for low-or moderate-income individuals during the COVID-19 pandemic. Among the notable non-PPP loans was one loan totaling \$6.0 million for affordable housing. In addition, a loan for \$86,487 was originated to an organization for economic development.

<b>Community Development Lending</b>										
<b>Assessment Area: Indianapolis MSA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>
2020	0	0	0	0	1	1,565	0	0	1	1,565
2021	0	0	6	409	10	628	0	0	16	1,037
2022	1	6,000	0	0	0	0	0	0	1	6,000
YTD 2023	0	0	1	1,000	0	0	0	0	1	1,000
<b>Total</b>	<b>1</b>	<b>6,000</b>	<b>7</b>	<b>1,409</b>	<b>11</b>	<b>2,193</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>9,602</b>
<i>Source: Bank Data</i>										

### **Qualified Investments**

The bank's qualified investments in this assessment area totaled \$27,000, all 61 of which were qualified donations. These donations primarily supported organizations that provide community services to low- and moderate-income individuals. For example, throughout the evaluation period, the bank made donations totaling \$3,000 to various food banks that serve low-income assessment area residents. The bank also donated to organizations that support small businesses and economic development initiatives in the assessment area.

### **Community Development Services**

Bank employees provided four instances of community development services in this assessment area during the evaluation period. All of these instances were related to a bank employee serving on the board of an organization that provides various services to low- and moderate-income youth in Hamilton County.

## APPENDICES

### INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.



**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies that are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

**THE FARMERS BANK**  
**Offices Hours of Operation**

**Frankfort Main Office**

9 East Clinton Street  
P.O. Box 129  
Frankfort, IN 46041-0129  
Census Tract #9508  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. - Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. - 12 p.m. / Sat. (Drive-up and Main Office)  
Drive-up opens at 8:30 am Monday-Friday

**Fisher Office**

7126 E 116<sup>th</sup> Street  
Fishers, IN 46038-1729  
Census Tract #1108.12  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. - 12 p.m. / Sat.

**Kirklin Office**

110 North Main Street  
P.O. Box 188  
Kirklin, IN 46050-0188  
Census Tract #9501  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 4:30 p.m. / Mon.  
1 p.m. – 4:30 p.m. / Tues. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. Sat.

**Lebanon Office**

2304 North Lebanon Street  
Lebanon, IN 46052-1110  
Census Tract #8103  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. - Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.

**Michigantown Office**

219 Main Street  
P.O. Box 298  
Michigantown, IN 46057-0298  
Census Tract # 9502  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 4:30 p.m. / Mon.  
9 a.m. – 12 p.m. / Tues. - Thurs.  
9 a.m. - 6 p.m. / Fri.  
Closed / Saturday

**Mulberry Office**

145 East Jackson Street  
P.O. Box 280  
Mulberry, IN 46058-0280  
Census Tract #9503  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 4:30 p.m. / Mon. - Wed.  
9 a.m. – 12 p.m. / Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.

**Noblesville Office**

16940 Clover Road  
Noblesville, IN 46060-3643  
Census Tract #1107  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.

**Rossville Office**

5450 West State Road 26  
Suite 300  
Rossville, IN 46065-9479  
Census Tract #9503  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.

**Sheridan Office**

987 South White Avenue  
P.O. Box 211  
Sheridan, IN 46069-0211  
Census Tract #1103.03  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon., Tue., Thurs.  
9 a.m. – 12 p.m. / Wed.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.  
Drive-up opens at 8:00 am Monday-Friday

**Wesley Manor Office**

1555 North Main Street  
Frankfort, IN 46041-1167  
Census Tract #9505  
(765) 654-6719

**Hours of Operation:**

9 a.m. – 12 p.m. / Tues. & Thurs.  
Closed / Mon., Wed., Fri., Sat.

**Westfield Financial Center**

17370 Farmers Bank Way  
Westfield, IN 46074  
Census Tract #1104.06  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
Closed / Sat.

**Carmel Loan Production Office**

11350 N Meridian Street, Suite 500  
Carmel, IN 46032-4528  
Census Tract #1110.09  
(765) 654-8731

**Hours of Operation:**

By Appointment Only



**THE FARMERS BANK**  
**Opened and Closed Branches**

**2024**

None

**2023**

Opened:

**Westfield Financial Center**

17370 Farmers Bank Way  
Westfield, IN 46074  
Census Tract #1104.06

**2022**

Opened:

**Carmel Loan Production Office**

11350 N Meridian Street, Suite 500  
Carmel, IN 46032  
Census Tract #1110.01

12/15/2023

## LOAN AND DEPOSIT PRODUCTS

### Loan Products

- Consumer Loans
  - Automobile Loans
  - Handi Cash
  - Other Secured & Unsecured Loans
  - Personal Line of Credit
  - Single Payment Loans
  - Student Loans
  
- Mortgage Loans
  - FHLMC
  - FHLB of Indianapolis
  - In house Mortgages
  - Mortgage Loan Construction
  - Non-Traditional Mortgage
  
- Home Equity Loans
  - Consumer Mortgage
  - Handi Cash Plus 2
  
- Commercial Loans
  - Commercial and Agriculture Capital Loans
  - Commercial and Agriculture Construction Loans
  - Commercial and Agriculture Equipment Loans
  - Commercial and Agriculture Loan Single Pay
  - Commercial and Agriculture Operating Loans
  - Commercial and Agriculture Real Estate Loans
  - Farmer Mac II Non Real Estate
  - Farmer Mac II Real Estate
  - FSA Loans Non Real Estate
  - FSA Loans Real Estate
  - Letter of Credit
  - SBA Loans
  - Small Business Loans
  - USDA Loans

## Deposit Products

- Checking Accounts
  - Health Savings Account – Family
  - Health Savings Account – Individual
  - Interest Checking
  - Options Checking
  - Premium Interest Checking
  - Relationship Advantage Account
  - Business Checking
  - Business Analysis Checking
  - Community Business Checking
  
- Savings Accounts
  - Advantage Savings
  - Christmas Club Savings
  - Money Market Investment Savings
  - Regular Savings
  - Student Savings
  - Education IRA Account
  - Traditional IRA Account
  - Roth IRA Account
  - Business Regular Savings
  - Business Advantage Savings
  - Business Money Market Investment
  - Sweep Savings
  - Sweep Repurchase Agreement
  
- Certificate of Deposits
  - 7 to 31 Day CD
  - 91 Day CD
  - 182 Day CD
  - 7 Month CD Special (New Money Only)
  - 12 Month CD
  - 13 Month CD Special (New Money Only)
  - 18 Month CD
  - 24 Month CD
  - 30 Month CD
  - 36 Month CD
  - 48 Month CD
  - 60 Month CD
  
- Jumbo CD (New Money Only)
  - 12 Month CD
  - 18 Month CD
  - 24 Month CD
  - 36 Month CD

➤ Other Products

- Card Hub
- Debit Card Fraud Alert Service
- Domestic and International Wires
- Estatements
- Mobile Banking
- Consumer Loan Online Application
- Mortgage Loan Online Application
- Notifi Alerts
- Official Checks
- Online Banking
- Online Bill Payment
- Personalized Debit Cards
- Safe Deposit Box
- Telephone Banking
- Business ConneXion
- Merchant Capture

# Pricing Schedule

Effective 9-1-2023

This chart is provided to help you determine your monthly service charge

## Personal Checking Accounts

Account Titles	Monthly Service Charges	Service Charge Refund Qualifiers	Paper Statement Fee
<b>Options Checking</b>	\$6	<p>\$3 with more than 15 POS** transactions posted during the statement cycle</p> <p>\$3 with an aggregate of \$5000 or more in any Farmers Bank related deposit account***;</p> <p>\$3 with one Mobile Deposit;</p> <p>\$3 with an aggregate of more than \$300 in direct deposits;</p> <p>\$3 with 2 or more ACH* debits or 2 or more Bill Pay transactions;</p> <p>\$3 with an aggregate of more than \$50 in automatic transfers to a Farmers Bank savings account;</p> <p>\$3 for customers under 24;</p> <p>\$6 for customers under 18.</p> <p>Maximum service charge refund will not exceed the service charge</p>	\$2.95
<b>BYW Interest Checking</b>	\$10	<p>15 or more POS** transactions during the statement cycle and any 2 of the following:</p> <p>An aggregate of more than \$50 automatic transfers to a Farmers Bank savings account;</p> <p>An aggregate of more than \$500 in direct deposits; or</p> <p>2 or more ACH* Debits or 2 or more Bill Pay Transactions</p>	\$2.95 refund with \$10,000 in any Farmers Bank related deposit account***
<b>Premium Interest Checking</b>	\$15	<p>An aggregate of more than \$20,000 in any Farmers Bank related deposit account*** ; and</p> <p>An aggregate of more than a \$10,000 principle balance in consumer loans</p>	Statement Choice
<b>Relationship Advantage Account</b>	\$15 plus \$15 per withdrawal in excess of 4 per statement cycle	An aggregate balance of more than \$20,000 in any Farmers Bank related deposit account.***	Statement Choice

\*ACH = Automatic Clearing House

\*\*POS = Point of Sale

\*\*\*This balance will be based on the previous month to date average balance

### MOBILE DEPOSIT

-Limit \$1500 per deposit or per business day

-No fee

### MISCELLANEOUS FEES - Personal and Business

Business Online	See separate Treasury Management pricing schedule for more details
Certified check	\$ 10.00
Overdraft Fee	\$ 35.00 per 10 business days
New Account - Early Close Fee	\$ 35.00 if closed within 180 days of opening date
Non-Deliverable Statement	\$ 5.00 per month
Overdraft Paid Item Fee	\$ 35.00 per item
Official Check	\$ 5.00 per item
Research Fees	\$ 25.00 per hour plus \$.25 per page
Overdraft Return Item Fee	\$ 35.00 per item
Statement Copy	\$ 5.00 per item
Stop Payment	\$ 35.00 per item
Xerox copies	\$ 0.50 per copy
Returned Deposited Item Fee	\$ 15.00 per item
Outgoing Cashering	\$ 0.05 per coin roll \$ 0.10 per currency strap

Dormant accounts will be charged the normal monthly maintenance fee of \$5.00 per month.

### SAFE DEPOSIT BOXES

Safe Deposit Boxes available: price varies depending on size

### OTHER SERVICES

Amortization Schedules	Bill Payment
Bank by Phone w/Telebank	Letter of Credit
Collection Services	Notary Public
Fax Services	U.S. Savings Bonds
On-line Banking w/Internet Banking	Visa Credit Card
	Wire Transfers (Domestic and International)



**THE FARMERS BANK**  
**Offices Hours of Operation**

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**Hours of Operation:**

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9 a.m. - 6 p.m. / Fri.  
9 a.m. - 12 p.m. / Sat. (Drive-up and Main Office)  
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7126 E 116<sup>th</sup> Street  
Fishers, IN 46038-1729  
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(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. – Thurs.  
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1 p.m. – 4:30 p.m. / Tues. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. Sat.

**Lebanon Office**

2304 North Lebanon Street  
Lebanon, IN 46052-1110  
Census Tract #8103  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. - Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.

**Michigantown Office**

219 Main Street  
P.O. Box 298  
Michigantown, IN 46057-0298  
Census Tract # 9502  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 4:30 p.m. / Mon.  
9 a.m. – 12 p.m. / Tues. - Thurs.  
9 a.m. - 6 p.m. / Fri.  
Closed / Saturday

**Mulberry Office**

145 East Jackson Street  
P.O. Box 280  
Mulberry, IN 46058-0280  
Census Tract #9503  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 4:30 p.m. / Mon. - Wed.  
9 a.m. – 12 p.m. / Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.

**Noblesville Office**

16940 Clover Road  
Noblesville, IN 46060-3643  
Census Tract #1107  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.

**Rossville Office**

5450 West State Road 26  
Suite 300  
Rossville, IN 46065-9479  
Census Tract #9503  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.



**Sheridan Office**

987 South White Avenue  
P.O. Box 211  
Sheridan, IN 46069-0211  
Census Tract #1103.03  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon., Tue., Thurs.  
9 a.m. – 12 p.m. / Wed.  
9 a.m. - 6 p.m. / Fri.  
9 a.m. – 12 p.m. / Sat.  
Drive-up opens at 8:00 am Monday-Friday

**Wesley Manor Office**

1555 North Main Street  
Frankfort, IN 46041-1167  
Census Tract #9505  
(765) 654-6719

**Hours of Operation:**

9 a.m. – 12 p.m. / Tues. & Thurs.  
Closed / Mon., Wed., Fri., Sat.

**Westfield Financial Center**

17370 Farmers Bank Way  
Westfield, IN 46074  
Census Tract #1104.06  
(765) 654-8731

**Hours of Operation:**

9 a.m. - 5 p.m. / Mon. – Thurs.  
9 a.m. - 6 p.m. / Fri.  
Closed / Sat.

**Carmel Loan Production Office**

11350 N Meridian Street, Suite 500  
Carmel, IN 46032-4528  
Census Tract #1110.09  
(765) 654-8731

**Hours of Operation:**

By Appointment Only

**THE FARMERS BANK, FRANKFORT**  
**ATM LOCATIONS**

**Fishers**

**Fisher Office - Drive-up ATM**

7126 E 116<sup>th</sup> Street  
Fishers, IN 46038 - Census Tract #1108.12  
**Open 24 Hours**

**Frankfort**

**Frankfort Main Office - Walk-up ATM**

9 East Clinton Street  
Frankfort, IN 46041 - Census Tract #9508  
**Open 24 Hours**

**Frankfort Main Office - Drive-up ATM**

9 East Clinton Street  
Frankfort, IN 46041 - Census Tract #9508  
**Open 24 Hours**

**Frankfort East Side - Drive-up ATM**

1951 East Wabash Street  
Frankfort, IN 46041 – Census Tract #9507  
**Open 24 Hours**

**Kirklin**

**Kirklin Office - Walk-up ATM**

110 North Main Street  
Kirklin, IN 46050 – Census Tract #9501  
**Open 24 Hours**

**Lebanon**

**Lebanon Office - Drive-up ATM**

2304 North Lebanon Street  
Lebanon, IN 46052 – Census Tract #8103  
**Open 24 Hours**

**Michigantown**

**Michigantown Office - Walk-up ATM**

219 Main St.  
Michigantown, IN 46057 – Census Tract #9502  
**Open 24 Hours**

**Mulberry**

**Mulberry Office - Drive-up ATM**

145 East Jackson Street  
Mulberry, IN 46058 – Census Tract #9503  
**Open 24 Hours**

**Noblesville**

**Noblesville Office – Drive-up ATM**

16940 Clover Road  
Noblesville, IN 46060 - Census Tract #1107  
**Open 24 Hours**

**Rossville**

**Rossville Office – Drive-up ATM**

5450 West State Road 26  
Rossville, IN 46065 - Census Tract #9503  
**Open 24 Hours**

**Sheridan**

**Sheridan Office - Drive-up ATM**

987 South White Avenue  
Sheridan, IN 46069 – Census Tract #1103.03  
**Open 24 Hours**

**Westfield**

**Westfield Financial Center – Two Drive-up ATM**

17370 Farmers Bank Way  
Westfield, IN 46074 – Census Tract #1104.06  
**Open 24 Hours**

CENSUS TRACTS/BLOCK NUMBERING AREAS  
IN THE FACILITY-BASED ASSESSMENT AREA

Clinton County:

9501.00  
9502.00  
9503.00  
9504.00  
9505.00  
9506.00  
9507.00  
9508.00

Boone County:

8101.00  
8102.00  
8103.00  
8104.00  
8105.00  
8106.01  
8106.04  
8106.05  
8106.06  
8106.07  
8107.00

Hamilton County:

1101.01  
1101.02  
1102.01  
1102.02  
1103.01  
1103.02  
1103.03  
1104.01  
1104.04  
1104.05  
1104.06  
1105.05  
1105.09  
1105.11  
1105.12  
1105.13  
1105.14  
1105.15  
1105.16  
1105.17  
1105.18  
1106.00  
1107.00

CENSUS TRACTS/BLOCK NUMBERING AREAS  
IN THE FACILITY-BASED ASSESSMENT AREA

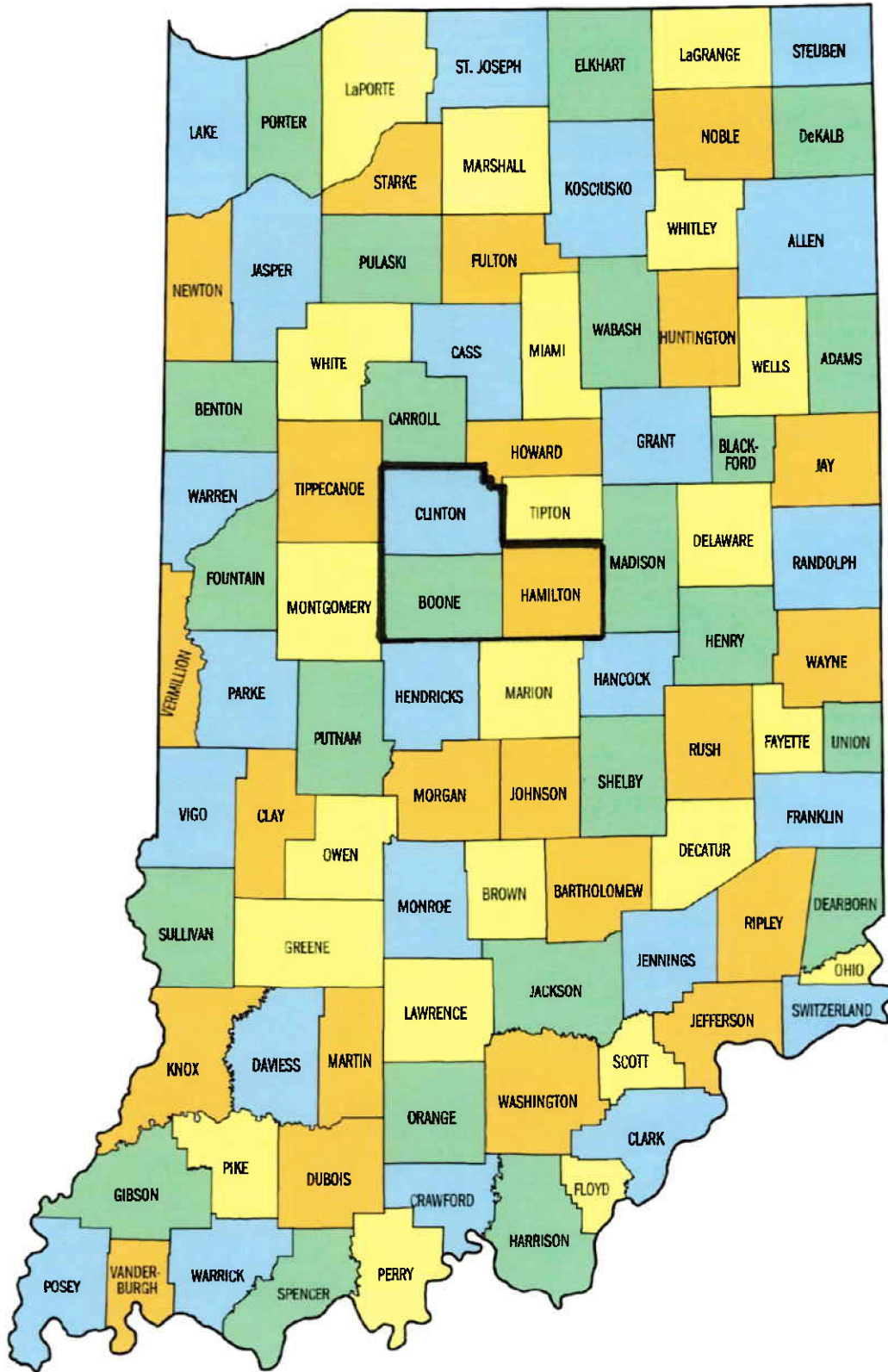
Hamilton County (Continue):

1108.05  
1108.07  
1108.10  
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1108.14  
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1109.04  
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1110.03  
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1110.06  
1110.07  
1110.09  
1110.10  
1110.11  
1110.12  
1111.01  
1111.03  
1111.04

**FACILITY-BASED ASSESSMENT AREA**

Clinton County, Boone County, Hamilton County in their entireties.

# INDIANA



**THE FARMERS BANK**  
**Loan-to-Deposit Ratio**

March 31, 2023  
88%

June 30, 2023  
94%

September 30, 2023  
92%

December 31, 2023  
96%

The Farmers Bank's HMDA Disclosure Statement and the loan/application register, as modified by the Bureau to protect applicant and borrower privacy, may be obtained on the Consumer Financial Protection Bureau's (Bureau's) Web site at [www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda).