PUBLIC DISCLOSURE

October 20, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Farmers and Merchants State Bank, Bloomfield, Nebraska
Certificate Number: 13662

103 North Broadway Street
Bloomfield, Nebraska 68718

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

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Kansas City, Missouri 64106

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 following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The majority of small farm and small business loans reviewed are within the institution's assessment area.
- The assessment area does not contain any low- or moderate-income census tracts; therefore, the geographic distribution of loans was not evaluated.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes.
- The institution has not received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, examiners did not evaluate the bank's record of responding to CRA-related complaints.

DESCRIPTION OF INSTITUTION

Farmers and Merchants State Bank, Bloomfield, Nebraska (FMSB) is headquartered in Bloomfield, Nebraska. The bank is wholly owned by one-bank holding company, Lauritzen Investments, Inc., Omaha, Nebraska. The bank is affiliated with a number of financial institutions through common ownership. Lending activities of these institutions were not considered as part of this evaluation. FMSB received a Satisfactory rating at the previous FDIC Performance Evaluation dated January 27, 2020, using the Interagency Small Institution Examination Procedures.

FMSB operates six full-service branches in the following northeastern Nebraska communities: Bloomfield, Center, Crofton, Hartington, Niobrara, and South Yankton. The bank offers traditional credit products, including agriculture, commercial, and consumer loans. The bank's primary focus is agricultural lending. Deposit products offered include checking, savings, money market, certificates of deposit, and individual retirement accounts. The bank also provides alternative banking services, such as online and mobile banking and five ATMs. The bank did not open or close any branches, and no merger or acquisition activities occurred since the previous evaluation.

As of the June 30, 2025 Reports of Condition and Income (Call Report), the bank reported total assets of $213.2 million, total loans of $137.2 million, and total deposits of $191.0 million. These figures have increased since the previous CRA evaluation, where assets totaled $134.8 million,

loans totaled $94.1 million, and deposits totaled $112.0 million. As shown in the following table, agricultural and farmland lending represents the largest portions of the loan portfolio followed by commercial and commercial real estate lending, which is consistent with the loan portfolio distribution at the previous CRA evaluation.

Loan Portfolio Distribution as of 06/30/2025		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	0	0.0
Secured by Farmland	40,568	29.6
Secured by 1-4 Family Residential Properties	16	<0.1
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	11,542	8.4
Total Real Estate Loans	**52,126**	**38.0**
Commercial and Industrial Loans	8,648	6.3
Agricultural Production and Other Loans to Farmers	71,630	52.2
Consumer Loans	3,906	2.9
Obligations of State and Political Subdivisions in the U.S.	886	0.7
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	**137,196**	**100.0**
Source: Reports of Condition and Income *Due to rounding, total may not equal 100.0%*		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. FMSB designated one assessment area that includes Cedar and Knox counties, which are located within the nonmetropolitan portion of northeastern Nebraska. The assessment area has not changed since the previous evaluation. According to the 2020 U.S. Census, the assessment area is comprised of five middle-income census tracts.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**N/A* % of #**
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	16,771	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	9,110	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	5,464	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,620	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	2,026	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,935	0.0	0.0	100.0	0.0	0.0
Farms by Geography	565	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	4,684	14.2	19.2	26.6	40.0	0.1
Household Distribution by Income Level	7,084	20.3	17.2	18.7	43.8	0.0
Nebraska Non-MSA Median Family Income		$70,804	Median Housing Value			$106,895
			Median Gross Rent			$592
			Families Below Poverty Level			4.9%
Source: 2020 Census and 2024 D&B Data Due to rounding, totals may not equal 100%.						

FMSB's assessment area is rural in nature, and the economy is highly dependent on agriculture. According to the 2022 Census of Agriculture, farm operations generated $1.1 billion in commodity sales within the assessment area. According to 2024 D&B data, the largest industries include agriculture, forestry, fishing and hunting at 22.6 percent; non-classifiable establishments at 13.8 percent; and other services at 9.8 percent. In addition, 90.6 percent of businesses operate from a single location and 75.4 percent operate with four or fewer employees. The three largest economic and population centers of the assessment area are the towns of Hartington, Creighton, and Bloomfield.

Competition

The assessment area is moderately competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2025, 12 financial institutions operate 23 offices in the assessment area. FMSB ranked 1st amongst these financial institutions with 19.4 percent of the deposit market share. The bank faces lending competition from Farm Credit Services and non-traditional creditors and dealers in the area for agricultural loans.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying area credit needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit opportunities are available. Examiners interviewed a representative from an agricultural business operating in the area. The contact said that the economy has been stable. Agriculture continues to be the main driver of the local economy, with many job openings for qualified individuals. Further, competition between financial institutions remains healthy and banks are addressing the credit needs of the area. In addition, the contact felt that primary credit needs of the area are agricultural and commercial loans.

Credit Needs
Considering information from bank management, demographic information, economic data, and the community contact, examiners determined that agricultural and commercial loans are the primary credit needs of the assessment area.

SCOPE OF EVALUATION

General Information
This evaluation covers the period from the prior evaluation dated January 27, 2020, to the current evaluation dated October 20, 2025. Examiners used the Interagency Small Institution Examination Procedures to evaluate FMSB's CRA performance, which includes the Lending Test. Refer to the Appendices for a description of the criteria evaluated under the Lending Test.

Activities Reviewed
FMSB's primary credit products are agricultural and commercial lending; therefore, examiners reviewed small farm and small business loans to evaluate the bank's CRA performance. These products were selected based on the bank's business strategy, assessment area credit needs, and the number and dollar volume of loans originated during the evaluation period. Examiners did not review home mortgage loans because the bank does not offer them; additionally, there are no other loan products than comprise a significant portion of the bank's loan portfolio or are a major product line.

Examiners reviewed small farm and small business loans originated or renewed from September 10, 2024, through September 9, 2025, to ensure an accurate depiction of the bank's lending data since the bank's loan data does not include paid off loans. Bank management confirmed the institution's small farm and small business lending during the review period was representative of its lending activity throughout the evaluation period. For Assessment Area Concentration, examiners reviewed all small farm and small business loans originated or purchased during the review period. For Borrower Profile, examiners reviewed a sample of small farm and small business loans made inside the assessment area. D&B data for 2024 provided the standard of comparison for small farm and small business loans. The following table provides details on the loans reviewed.

Loan Products Reviewed				
Loan Category	**Assessment Area Concentration**		**Borrower Profile**	
	#	**$(000s)**	**#**	**$(000s)**
Small Farm	286	40,217	55	7,474
Small Business	99	8,154	41	3,095
Source: Bank Data				

Examiners placed greater weight on small farm lending performance when drawing overall conclusions due to higher lending volume by both number and dollar volume during the evaluation period and agricultural lending being the institution's primary lending focus. While examiners reviewed both the number and dollar volume of loans and presented both figures throughout the performance evaluation, examiners emphasized performance by number of loans for the Borrower Profile analysis because it is generally a better indicator of borrowers served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FMSB demonstrated a satisfactory performance under the Lending Test. The collective performance under the criteria evaluated supports this conclusion.

Loan-to-Deposit Ratio

FMSB's loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the assessment area's credit needs. The bank's net loan-to-deposit ratio, calculated from Call Report data, averaged 72.2 percent over the past 22 quarters from March 31, 2020, to June 30, 2025, and has decreased from the previous evaluation when it averaged 80.4 percent. The ratio ranged from a low of 57.9 percent as of March 31, 2022, to a high of 82.8 percent as of December 31, 2023.

Examiners compared the bank's average net loan-to-deposit ratio to three similarly situated institutions to evaluate the bank's performance. These institutions were selected based on geographic location, asset size, and lending focus. As shown in the following table, FMSB's net loan-to-deposit ratio is reasonable in comparison to the ratios of the similarly situated institutions.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 06/30/2025**	**Average Net Loan-To-Deposit Ratio**
	$(000s)	**(%)**
Farmers and Merchants State Bank, Bloomfield, Nebraska	**213,173**	**72.2**
Bank of Hartington, Hartington, Nebraska	137,785	70.6
Brunswick State Bank, Brunswick, Nebraska	171,479	91.9
Security Bank, Laurel, Nebraska	318,388	69.0
Source: Reports of Condition and Income 03/31/2020 – 06/30/2025		

Assessment Area Concentration

A majority of the bank's small farm and small business loans reviewed, by number and dollar volume, were inside the assessment area. The following table provides details.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total #**	**Dollar Amount of Loans $(000s)**				**Total $(000)**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
Small Farm	229	80.1	57	19.9	286	31,711	78.8	8,506	21.2	40,217
Small Business	74	74.7	25	25.3	99	5,864	71.9	2,290	28.1	8,154
Total	**303**	**78.7**	**82**	**21.3**	**385**	**37,575**	**77.7**	**10,796**	**22.3**	**48,371**
Source: Bank Data *Due to rounding, totals may not equal 100.0%.*										

Geographic Distribution

The assessment area does not contain any low- or moderate-income census tracts, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes. While small business lending performance was excellent, reasonable small farm performance supported the overall conclusion since small farm lending received greater weight. Examiners focused on the percentage of loans to farms and businesses with gross annual revenues of $1 million or less.

Small Farm Loans

The distribution of borrowers reflects reasonable penetration among farms of different sizes. As shown in the following table, the percentage of loans made to farms with gross annual revenues of $1 million or less is reasonably comparable to the percentage of farms reporting revenues in this category.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
<= $1,000,000	99.1	51	92.7	6,780	90.7
> $1,000,000	0.7	4	7.3	694	9.3
Revenue Not Available	0.2	0	0.0	0	0.0
Total	**100.0**	**55**	**100.0**	**7,474**	**100.0**
Source: 2024 D&B Data; Bank Data *Due to rounding, totals may not equal 100.0%.*					

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses of different sizes. As shown in the following table, the bank made all loans to businesses with gross annual revenues of $1 million or less, which exceeds the percentage of businesses reporting revenues in this category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<= $1,000,000	83.1	41	100.0	3,095	100.0
> $1,000,000	3.7	0	0.0	0	0.0
Revenue Not Available	13.2	0	0.0	0	0.0
Total	**100.0**	**41**	**100.0**	**3,095**	**100.0**
Source: 2024 D&B Data; Bank Data *Due to rounding, totals may not equal 100.0%.*					

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.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDICES

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).

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.

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.

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.

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.

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 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.

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.