

•THE FARMERS BANCORP•

The Farmers Bancorp Frankfort Indiana Announces First Quarter Earnings and Dividend

October 28, 2025 - Frankfort, IN (OTCPINK: FABP) – The Farmers Bancorp Frankfort Indiana (“Farmers”), the parent holding company of The Farmers Bank, Frankfort, Indiana (the “Bank”), announced today net income for the first quarter of fiscal 2026 of \$2.7 million, or earnings per common share of \$1.50 compared to the first quarter of fiscal 2025 of \$2.1 million, or earnings per common share of \$1.13. Return on average assets for the first quarter of fiscal 2026 was 0.98% on an annualized basis and return on average equity was 13.80% on an annualized basis compared to return on average assets of 0.84% on an annualized basis and return on average equity of 11.65% on an annualized basis in the first quarter of 2025, respectively.

Assets in the first quarter increased by \$16.5 million, or an annualized increase of 6.0%, to \$1.12 billion compared to \$1.10 billion as of June 30, 2025. The increase was aided by an increase in cash and cash equivalents of \$7.3 million as deposit growth outpaced loan growth during the quarter. Along with the increase in the cash position was an increase in investments to \$196.6 million compared to \$190.1 million as of June 30, 2025. The increase in investments primarily relates to a decrease in unrealized loss position in the portfolio as market interest rates declined in the first quarter. Additionally, gross loans increased \$2.2 million, or an annualized increase of 1.1%, to \$792.6 million compared to \$790.4 million at June 30, 2025.

Total deposits in the first quarter increased \$35.3 million, or an annualized increase of 16.6%, to \$886.6 million compared to \$851.3 million as of June 30, 2025. The increase is the result of an increase in interest bearing transaction deposits of \$35.1 million. This increase was partially offset by a decrease in repurchase agreements of \$23.8 million. Stockholders’ equity increased by \$5.6 million compared to June 30, 2025 as accumulated other comprehensive losses due to the investment portfolio declined increasing stockholders equity by \$3.6 million and retained earnings increased by \$2.0 million. Book value at the end of the first quarter fiscal 2026 was \$44.50 while the closing stock price was \$40.00, indicating a price to book ratio of 89.9%

Net income for the quarter was driven by increases in net interest income of \$1.5 million and non-interest income of \$94,000 when comparing the first quarter of fiscal 2026 to the first quarter of fiscal 2025. The increases in net interest income and non-interest income were partially offset by an increase in non-interest expense and income tax expense of \$662,000 and \$197,000, respectively. Additionally, provisions for credit losses increased \$69,000 when compared to the first quarter of fiscal 2025. On a linked quarter basis, net income increased \$355,000. This increase was aided by an increase in net interest income of \$311,000, an increase in non-interest income of \$52,000, and a decrease in non-interest expense of \$100,000.

“Earnings in this new fiscal year are strong. While we live in uncertain economic times, we believe there is strength in the Community Banking model that promotes strong communities and the ability to meet the needs of our customers,” commented Christopher Cook, President and CEO of The Farmers Bank.

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The Farmers Bancorp Board of Directors approved a dividend for common shareholders of \$0.40 with a record date of November 4, 2025 and a pay date of November 14, 2025. Based on the closing price as of September 30, 2025 the dividend yield is 4.00%.

Farmers operates as the financial holding company for the Bank. Founded in 1876, the Bank is a full-service financial institution based in Clinton County, Indiana. In addition to its main office at 9 East Clinton Street, Frankfort, Indiana, the Bank operates a loan production office in Carmel and branches in Fishers, Frankfort, Kirklin, Lebanon, Michigantown, Mulberry, Noblesville, Rossville, Sheridan, and Westfield.

This press release contains certain forward-looking statements that are based on assumptions and may describe future plans, strategies and expectations of Farmers. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like “believe,” “expect,” “anticipate,” “estimate” and “intend” or future or conditional verbs such as “will,” “would,” “should,” “could” or “may.” Certain factors that could cause actual results to differ materially from expected results include the COVID-19 pandemic, changes in the interest rate environment, changes in general economic conditions, legislative and regulatory changes that adversely affect the business of Farmers and the Bank, and changes in the securities markets. Except as required by law, Farmers does not undertake any obligation to update any forward-looking statements to reflect changes in belief, expectations or events.

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Selected Financial Information
The Farmers Bancorp Frankfort Indiana
As of September 30, 2025

	September 30, 2025 (000s)	June 30, 2025 (000s)
<u>Balance Sheet (Unaudited):</u>		
Assets		
Cash and cash equivalents	\$ 73,514	\$ 66,242
Investment securities - AFS	196,660	190,132
Loans held for sale	-	-
Loans, gross	792,601	790,354
Allowance for credit loss	(10,593)	(10,306)
Net loans	782,008	780,048
Premises and equipment, net	18,643	16,852
Right of use assets	2,849	2,924
FHLB stock	7,143	7,143
Cash value of life insurance	19,671	19,569
Accrued income and other assets	18,471	19,583
Total assets	\$ 1,118,960	\$ 1,102,492
Liabilities and Stockholders' Equity		
Demand deposits	\$ 229,579	\$ 228,352
Interest bearing transaction deposits	475,048	439,966
Time deposits	181,998	182,998
Total deposits	886,625	851,316
Repurchase agreements	15,544	39,320
Federal Home Loan Bank advances	110,000	110,000
Lease liability	2,849	2,924
Subordinated debentures	14,773	14,764
Accrued expenses and other liabilities	7,722	8,370
Total liabilities	1,037,513	1,026,693
Common stock/APIC	2,465	2,420
Retained earnings	95,695	93,694
Accumulated other comprehensive income (loss)	(16,713)	(20,315)
Total stockholders' equity	81,447	75,799
Total liabilities and stockholders' equity	\$ 1,118,960	\$ 1,102,492

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Income Statement (Unaudited):

	Three Months Ended September, 30 2025 (000s)	Three Months Ended June 30, 2025 (000s)	Three Months Ended September 30, 2024 (000s)
<u>Interest Income</u>			
Loans	\$ 13,176	\$ 12,694	\$ 11,875
Securities - Taxable	1,310	1,314	1,169
Securities - Tax-Exempt	385	366	360
Other	573	269	201
Total Interest Income	\$ 15,443	\$ 14,643	\$ 13,605
<u>Interest Expense</u>			
Deposits	\$ 4,972	\$ 4,347	\$ 4,653
Other Borrowings	1,513	1,648	1,503
Total Interest Expense	\$ 6,484	\$ 5,995	\$ 6,156
Net Interest Income	\$ 8,959	\$ 8,648	\$ 7,449
Provision for Credit Losses	350	346	281
Net Interest Income After Provision for Credit Losses	\$ 8,609	\$ 8,302	\$ 7,168
<u>Non-interest income</u>			
Trust fees	514	494	468
Service charges and fees on deposit accounts	299	290	281
Gain on sale of loans	196	121	199
Gain (loss) on sale of securities	-	-	-
Increase in cash value of life insurance	104	99	102
Interchange income	462	457	451
Other	154	216	129
Total non-interest income	1,729	1,677	1,630
<u>Non-interest expense</u>			
Salaries and employee benefits	4,131	4,266	3,872
Occupancy	432	409	437
Equipment	268	303	233
Data processing	733	735	724
FDIC premiums	129	124	113
Professional Expense	334	479	293
Marketing	284	303	169
Other	744	536	546
Total non-interest expense	7,054	7,154	6,387
Income before taxes	3,284	2,825	2,411
Income tax expense	545	440	348
Net income	\$ 2,739	\$ 2,384	\$ 2,063

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As of September 30, 2025

	(Unaudited) Three Months Ended September 30, 2025	(Unaudited) Three Months Ended June 30, 2025	(Unaudited) Three Months Ended September 30, 2024
<u>Selected Financial Ratios and Other Financial Data:</u>			
Per common share:			
Basic and Diluted earnings	\$ 1.50	\$ 1.30	\$ 1.13
Dividends	\$ 0.40	\$ 0.38	\$ 0.38
Dividend payout ratio	27%	29%	34%
Performance Ratios:			
Return on average assets	0.98%	0.90%	0.84%
Return on average equity	13.80%	12.94%	11.65%
Net interest margin	3.31%	3.44%	3.19%
Efficiency ratio	66.00%	69.29%	70.35%
Allowance for credit losses:			
Balance, beginning of the period	\$ 10,306	\$ 10,086	\$ 9,368
Total net charge offs (recoveries)	(11)	34	-
Provision for loan losses	275	254	411
Balance, end of the period	\$ 10,593	\$ 10,306	\$ 9,780
Net loan charge-offs to average loans	0.00%	0.00%	0.00%
	September 30, 2025	June 30, 2025	September 30, 2024
Nonperforming assets (000s)			
Total non-accrual loans	\$ 2,498	\$ 2,763	\$ 1,524
Accruing loans past due 90 days or more	218	5	102
Total nonperforming loans	2,716	2,767	1,627
Real estate owned	-	-	-
Other repossessed assets	-	-	-
Total nonperforming assets	\$ 2,716	\$ 2,767	\$ 1,627
Asset Quality Ratios:			
Nonperforming assets to total assets	0.24%	0.25%	0.16%
Nonperforming loans to total loans	0.34%	0.35%	0.22%
Allowance for credit losses to nonperforming loans	389.95%	372.45%	601.23%
Allowance for credit losses to loans receivable	1.34%	1.30%	1.34%
Other Information:			
Total shares outstanding	1,830,312	1,830,312	1,830,312
Tangible book value per common share	\$ 44.50	\$ 41.41	\$ 40.88
Tangible common equity to tangible assets	7.28%	6.88%	7.52%