

•THE FARMERS BANCORP•

The Farmers Bancorp Frankfort Indiana Announces Second Quarter Earnings and Dividend

February 2, 2026 - 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 second quarter of fiscal 2026 of \$2.5 million, or earnings per common share of \$1.38 compared to the second quarter of fiscal 2025 of \$2.8 million, or earnings per common share of \$1.53. Return on average assets for the second quarter of fiscal 2026 was 0.89% on an annualized basis and return on average equity was 11.89% on an annualized basis compared to return on average assets of 1.10% on an annualized basis and return on average equity of 15.08% on an annualized basis in the second quarter of 2025, respectively.

Net income for the six months ended of fiscal year 2026 of \$5.3 million, or earnings per common share of \$2.87, compared to the six months ended of fiscal year 2025 of \$4.9 million, or earnings per common share of \$2.66. Return on average assets for the current year-to-date period was 0.93% on an annualized basis and return on average equity was 12.81% on an annualized basis compared to return on average assets of 0.97% on an annualized basis and return on average equity of 13.46% on an annualized basis in the same period of 2025, respectively.

Assets increased by \$39.5 million, or an annualized increase of 7.2%, to \$1,142 million as of December 31, 2025, compared to \$1,102 million as of June 30, 2025. The increase in assets was aided by an increase in gross loans of \$18.0 million, or an annualized increase of 4.5%, to \$808.3 million as of December 31, 2025, compared to \$790.4 million as of June 30, 2025. Increases in assets were further supported by an increase in investment securities of \$12.7 million and a \$7.0 million increase in cash and cash equivalents compared to June 30, 2025.

Total deposits increased \$68.3 million, or an annualized increase of 9.0%, to \$919.6 million as of December 31, 2025, compared to \$851.3 million as of June 30, 2025. Much of the increase is attributed to a \$42.2 million increase in time deposits. Increases in demand deposits and interest-bearing transaction deposits of \$10.2 million and \$15.9 million, respectively, also aided deposit growth. Repurchase agreements decreased \$33.0 million compared to June 30, 2025 as they transferred to deposits. Stockholders’ equity increased \$8.9 million primarily due a \$5.1 million decrease in the accumulated other comprehensive loss and a \$3.8 million increase in retained earnings compared to June 30, 2025. Book value at the end of the second quarter fiscal year 2025 was \$46.30 while the closing stock price as of December 31, 2025 was \$47.75, indicating a price to book ratio of 103.13%.

Net income for the quarter was driven by increases in net interest income of \$887,000 when comparing the second quarter of fiscal 2026 to the second quarter of fiscal 2025. The increase in net interest income was more than offset by an increase in non-interest expense of \$684,000 of which merger related expenses were \$260,000, an increase in provisions for credit losses of \$350,000, and a decrease of \$149,000 in non-interest income, as a result of one-time non-interest income of \$420,000 received in the second quarter of 2025 not repeated in second quarter of 2026.

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"I am proud of the solid performance in the first half of fiscal 2026. We continue to see strong loan pipelines and have seen solid deposit growth to support those lending opportunities," commented Christopher Cook, President and CEO of The Farmers Bank.

The Farmers Bancorp Board of Directors approved a dividend for common shareholders of \$0.40 with a record date of February 3, 2026 and a pay date of February 13, 2026. Based on the closing price as of December 31, 2025 the dividend yield is 3.35%.

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, Tipton, 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 December 31, 2025

Balance Sheet (Unaudited):

	December 31, 2025 (000s)	September 30, 2025 (000s)	June 30, 2025 (000s)
Assets			
Cash and cash equivalents	\$ 73,275	\$ 73,514	\$ 66,242
Investment securities - AFS	202,819	196,660	190,132
Loans held for sale	-	-	-
Loans, gross	808,311	792,601	790,354
Allowance for credit loss	(10,681)	(10,593)	(10,306)
Net loans	797,630	782,008	780,048
Premises and equipment, net	19,102	18,643	16,852
Right of use assets	2,774	2,849	2,924
FHLB stock	7,143	7,143	7,143
Cash value of life insurance	19,774	19,671	19,569
Accrued income and other assets	19,461	18,471	19,583
Total assets	\$ 1,141,979	\$ 1,118,960	\$ 1,102,492
Liabilities and Stockholders' Equity			
Demand deposits	\$ 238,572	\$ 229,579	\$ 228,352
Interest bearing transaction deposits	455,904	475,048	439,966
Time deposits	225,170	181,998	182,998
Total deposits	919,645	886,625	851,316
Repurchase agreements	6,287	15,544	39,320
Federal Home Loan Bank advances	105,000	110,000	110,000
Lease liability	2,774	2,849	2,924
Subordinated debentures	14,781	14,773	14,764
Accrued expenses and other liabilities	8,745	7,722	8,370
Total liabilities	1,057,233	1,037,513	1,026,693
Common stock/APIC	2,510	2,465	2,420
Retained earnings	97,478	95,695	93,694
Accumulated other comprehensive income (loss)	(15,242)	(16,713)	(20,315)
Total stockholders' equity	84,746	81,447	75,799
Total liabilities and stockholders' equity	\$ 1,141,979	\$ 1,118,960	\$ 1,102,492

Selected Financial Information
The Farmers Bancorp Frankfort Indiana
As of December 31, 2025

	Three Months Ended December 31, 2025 (000s)	Three Months Ended September, 30 2025 (000s)	Three Months Ended December 31, 2024 (000s)	Six Months Ended December 31, 2025 (000s)	Six Months Ended December 31, 2024 (000s)
<u>Income Statement (Unaudited):</u>					
<u>Interest Income</u>					
Loans	\$ 12,920	\$ 13,176	\$ 12,135	\$ 26,095	\$ 24,010
Securities - Taxable	1,326	1,310	1,199	2,635	2,368
Securities - Tax-Exempt	425	385	359	810	719
Other	681	573	103	1,254	304
Total Interest Income	\$ 15,351	\$ 15,443	\$ 13,796	\$ 30,794	\$ 27,400
<u>Interest Expense</u>					
Deposits	\$ 5,086	\$ 4,972	\$ 4,188	\$ 10,058	\$ 8,841
Other Borrowings	1,366	1,513	1,597	2,879	3,100
Total Interest Expense	\$ 6,452	\$ 6,484	\$ 5,784	\$ 12,937	\$ 11,941
Net Interest Income	\$ 8,898	\$ 8,959	\$ 8,011	\$ 17,857	\$ 15,460
Provision for Credit Losses	350	350	0	700	281
Net Interest Income After Provision for Credit Losses	\$ 8,548	\$ 8,609	\$ 8,011	\$ 17,157	\$ 15,178
<u>Non-interest income</u>					
Trust fees	616	514	512	1,130	980
Service charges and fees on deposit accounts	298	299	292	597	573
Gain on sale of loans	185	196	109	381	308
Gain (loss) on sale of securities	-	-	-	-	-
Increase in cash value of life insurance	110	104	101	214	203
Interchange income	437	462	436	899	886
Other	162	154	507	316	637
Total non-interest income	1,807	1,729	1,956	3,536	3,587
<u>Non-interest expense</u>					
Salaries and employee benefits	4,294	4,131	3,743	8,425	7,615
Occupancy	475	432	348	907	785
Equipment	349	268	222	617	455
Data processing	623	733	735	1,358	1,460
FDIC premiums	141	129	114	269	227
Professional Expense	309	334	681	643	973
Marketing	214	284	214	498	383
Other	976	744	639	1,718	1,185
Total non-interest expense	7,380	7,054	6,696	14,435	13,084
Income before taxes	2,975	3,284	3,271	6,259	5,681
Income tax expense	455	545	473	1,000	821
Net income	\$ 2,521	\$ 2,739	\$ 2,798	\$ 5,259	\$ 4,860

Selected Financial Information
The Farmers Bancorp Frankfort Indiana
As of December 31, 2025

	(Unaudited) Three Months Ended December 31, 2025	(Unaudited) Three Months Ended September 30, 2025	(Unaudited) Three Months Ended December 31, 2024	(Unaudited) Six Months Ended December 31, 2025	(Unaudited) Six Months Ended December 31, 2024
<u>Selected Financial Ratios and Other Financial Data:</u>					
Per common share:					
Basic and Diluted earnings	\$ 1.38	\$ 1.50	\$ 1.53	\$ 2.87	\$ 2.66
Dividends	\$ 0.40	\$ 0.40	\$ 0.38	\$ 0.80	\$ 0.76
Dividend payout ratio	29%	27%	25%	28%	29%
Performance Ratios:					
Return on average assets	0.89%	0.98%	1.10%	0.93%	0.97%
Return on average equity	11.89%	13.80%	15.08%	12.81%	13.46%
Net interest margin	3.29%	3.34%	3.43%	3.32%	3.30%
Efficiency ratio	68.94%	66.00%	67.18%	67.47%	68.71%
Allowance for credit losses:					
Balance, beginning of the period	\$ 10,593	\$ 10,306	\$ 9,780	\$ 10,306	\$ 9,368
Total net charge offs (recoveries)	176	(11)	(381)	165	(381)
Provision for loan losses	264	275	-	539	411
Balance, end of the period	\$ 10,681	\$ 10,593	\$ 10,161	\$ 10,681	\$ 10,161
Net loan charge-offs to average loans	0.02%	0.00%	-0.05%	0.02%	-0.05%
Nonperforming assets (000s)					
Total non-accrual loans	\$ 2,521	\$ 2,498	\$ 1,448		
Accruing loans past due 90 days or more	273	218	796		
Total nonperforming loans	2,794	2,716	2,244		
Real estate owned	-	-	-		
Other repossessed assets	-	-	-		
Total nonperforming assets	\$ 2,794	\$ 2,716	\$ 2,244		
Asset Quality Ratios:					
Nonperforming assets to total assets	0.24%	0.24%	0.22%		
Nonperforming loans to total loans	0.35%	0.34%	0.29%		
Allowance for credit losses to nonperforming loans	382.33%	389.95%	452.81%		
Allowance for credit losses to loans receivable	1.32%	1.34%	1.31%		
Net Loans to Total Deposits	86.73%	88.20%	102.62%		
Other Information:					
Total shares outstanding	1,830,312	1,830,312	1,830,312		
Tangible book value per common share	\$ 46.30	\$ 44.50	\$ 38.78		
Tangible common equity to tangible assets	7.42%	7.28%	6.84%		