

PART I, FINANCIAL INFORMATION
ITEM 1: FINANCIAL STATEMENT
THE FARMERS BANCORP
CONSOLIDATED STATEMENTS OF CONDITION
(Dollars in Thousands)

ASSETS	December 31 2018	June 30 2018
	<u> </u>	<u> </u>
Cash and cash equivalents	\$11,227	\$26,647
Interest-bearing time deposits	1,910	1,910
Available-for-sale securities	55,055	35,797
Held-to-maturity securities	69,628	74,069
Loans held for sale	587	972
Loans net of allowance of \$4,411 and \$4,088	398,417	378,031
Premises and equipment - net	6,775	6,772
Restricted stock, at cost	1,743	1,743
Cash value of life insurance	12,466	13,393
Accrued income and other assets	<u>10,307</u>	<u>9,549</u>
	<u>\$568,115</u>	<u>\$548,883</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Liabilities		
Demand Deposits	\$150,194	\$139,474
Savings, NOW and money market deposits	256,385	264,374
Time Deposits	<u>52,320</u>	<u>53,110</u>
Total deposits	458,899	456,958
Short-term borrowings	18,049	14,240
Federal Home Loan Bank advances	20,000	10,000
Accrued expenses and other liabilities	<u>4,312</u>	<u>4,141</u>
	501,260	485,339
Shareholders' equity		
Common stock, (no par value- 2,400,000 shares authorized, 2,085,284 shares issued and outstanding)	2,885	2,885
Additional paid-in capital	1	1
Retained earnings	64,469	61,512
Accumulated other comprehensive income (loss)	<u>(500)</u>	<u>(854)</u>
	66,855	63,544
	<u>\$568,115</u>	<u>\$548,883</u>

THE FARMERS BANCORP
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands except Per Share Amounts)

	Three Months Ended		Six Months Ended	
	Dec	Dec	Dec	Dec
	2018	2017	2018	2017
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Interest income				
Loans	\$5,233	\$4,621	\$10,333	\$8,373
Securities				
Taxable	561	519	1,065	957
Tax exempt	145	139	280	254
Other	<u>80</u>	<u>30</u>	<u>196</u>	<u>42</u>
Total Interest Income	6,019	5,309	11,874	9,626
Interest Expense				
Deposits	585	308	1,104	442
Short-term borrowings	10	10	18	11
Other borrowings	<u>62</u>	<u>88</u>	<u>121</u>	<u>55</u>
Total Interest Expense	657	406	1,242	508
Net Interest Income	5,362	4,903	10,632	9,118
Provision for loan losses	<u>150</u>	<u>100</u>	<u>300</u>	<u>(556)</u>
Net interest income after provision for loan losses	5,212	4,803	10,332	9,674
Other Operating Income				
Trust fees	237	219	560	303
Service charges and fees on deposit accounts	266	299	530	641
Gain on sale of loans	171	169	363	466
Increase in cash value of life insurance	171	56	225	132
Interchange income	328	269	645	555
Net Gain/(Loss) on real estate owned	1	54	4	1
Other	<u>176</u>	<u>357</u>	<u>356</u>	<u>366</u>
Total Other Income	1,351	1,423	2,682	2,464
Other Operating Expenses				
Salaries and employee benefits	2,300	2,231	4,533	4,185
Occupancy - net	268	260	507	521
Equipment	146	122	300	271
Data processing	435	369	825	665
Federal deposit insurance corporation	38	63	65	111
Other	<u>664</u>	<u>497</u>	<u>1,270</u>	<u>1,228</u>
Total Other Expense	3,850	3,542	7,498	6,981
Income Before Income Taxes	2,712	2,684	5,516	5,157
Income Tax Expense	<u>440</u>	<u>1,197</u>	<u>939</u>	<u>1,337</u>
Net Income	<u>2,272</u>	<u>1,487</u>	<u>4,577</u>	<u>3,820</u>
Per Share Data:				
Net income Per Share	\$1.09	\$0.71	\$2.19	\$1.83
Dividends Per Share	\$0.26	\$0.25	\$0.77	\$0.50