

• THE FARMERS BANCORP •

The Farmers Bancorp Frankfort Indiana Announces Third Quarter Earnings

May 7, 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 third quarter of fiscal 2026 of \$2.5 million, or earnings per common share of \$1.37 compared to the third quarter of fiscal 2025 of \$2.0 million, or earnings per common share of \$1.11. Return on average assets for the third quarter of fiscal 2026 was 0.88% on an annualized basis and return on average equity was 11.74% on an annualized basis compared to return on average assets of 0.80% on an annualized basis and return on average equity of 11.31% on an annualized basis in the third quarter of 2025, respectively.

Net income for the nine months ended of fiscal 2026 of \$7.8 million, or earnings per common share of \$4.25, compared to the nine months ended of fiscal 2025 of \$6.9 million, or earnings per common share of \$3.76. 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 0.91% on an annualized basis and return on average equity of 12.74% on an annualized basis in the same period of 2025, respectively.

Assets increased by \$23.0 million, or an annualized increase of 2.8%, to \$1,125 million as of March 31, 2026 compared to \$1,102 million as of June 30, 2025. The increase in assets was aided by an increase in investment securities of \$13.3 million, or an annualized increase of 9.3%, to \$203.5 million as of March 31, 2026 compared to \$190.1 million as of June 30, 2025. Approximately \$9.3 million of the growth in investment securities is attributed to the reinvestment of earnings generated from investment securities. About \$3.7 million of the growth was due to a reduction in the unrealized loss position, as market interest rates decreased causing investment values to increase.

Total deposits increased \$68.3 million to \$919.6 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 \$58.6 million and demand deposits of \$20.6 million. The increase in deposits was offset by a decrease in time deposits of \$10.9 million. Included in the decrease in time deposits is a decrease in brokered CDs of \$28.9 million. Repurchase agreements decreased \$39.0 million since June 30, 2025, as most of those funds moved into interest bearing deposits. Federal Home Loan Bank advances decreased \$15.0 million compared to June 30, 2025 due to maturities. Stockholders’ equity increased by \$8.6 million compared to June 30, 2025 primarily due to a \$5.6 million increase in retained earnings. It was also favorably impacted by a \$2.9 million reduction in accumulated other comprehensive income, as the after-tax value of investment securities increased due to reductions in market interest rates. Book value per share at the end of the third quarter fiscal 2026 was \$46.11 while the closing stock price as of March 31, 2026 was \$48.00, indicating a price to book ratio of 104.1%.

Net income for the quarter was driven by an increase in net interest income of \$695 thousand and an increase in non-interest income of \$505 thousand when comparing the third quarter of fiscal 2026 to the third quarter of fiscal 2025. The increase in non-interest income was largely attributed to \$419 thousand in income from the termination of two interest rate SWAP contracts. Increases in net income were offset by increases in non-interest expense of \$531 thousand, an increase of \$76 thousand in provision for credit losses, and a \$111 thousand increase in income tax expense. During the quarter, the Bank

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recognized \$247 thousand in non-recurring non-interest expenses from merger related activities. Net income growth of \$881 thousand for the first nine months of fiscal 2026 compared to the first nine months of fiscal 2025 was the result of an increase in net interest income of \$3.1 million and an increase in non-interest income of \$455 thousand. These increases were partially offset by an increase in non-interest expense of \$1.9 million, a \$494 thousand increase in provision for credit losses, and a \$289 thousand increase in income tax expense. During fiscal year 2026 the Bank has recognized \$512 thousand in non-recurring non-interest expenses from merger related activities.

“I am pleased to report solid earnings this quarter, reflecting the strength of our core business and operational excellence. Our strategic merger with Richmond Mutual Bancorporation will help position us for continued growth,” commented Christopher Cook, President and CEO of The Farmers Bank.

The Farmers Bancorp Board of Directors approved a \$0.40 dividend for common stock shareholders with a record date of May 5, 2026 and a pay date of May 15, 2026. Based on the closing price as of March 31, 2026, the dividend yield is 3.33%. President Cook stated, “We are proud to announce a cash dividend to our shareholders, demonstrating our commitment to returning value and our confidence in our strong financial position.”

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, Kirklint, 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 March 31, 2026

Balance Sheet (Unaudited):	March 31, 2026 (000s)	December 31, 2025 (000s)	September 30, 2025 (000s)	June 30, 2025 (000s)
Assets				
Cash and cash equivalents	\$ 71,399	\$ 73,275	\$ 73,514	\$ 66,242
Investment securities - AFS	203,457	202,819	196,660	190,132
Loans held for sale	260	-	-	-
Loans, gross	793,386	808,311	792,601	790,354
Allowance for credit loss	(10,907)	(10,681)	(10,593)	(10,306)
Net loans	782,479	797,630	782,008	780,048
Premises and equipment, net	18,946	19,102	18,643	16,852
Right of use assets	2,695	2,774	2,849	2,924
FHLB stock	7,143	7,143	7,143	7,143
Cash value of life insurance	19,872	19,774	19,671	19,569
Accrued income and other assets	19,244	19,461	18,471	19,583
Total assets	\$ 1,125,496	\$ 1,141,979	\$ 1,118,960	\$ 1,102,492
Liabilities and Stockholders' Equity				
Demand deposits	\$ 248,939	\$ 238,572	\$ 229,579	\$ 228,352
Interest bearing transaction deposits	498,571	455,904	475,048	439,966
Time deposits	172,089	225,170	181,998	182,998
Total deposits	919,598	919,645	886,625	851,316
Repurchase agreements	283	6,287	15,544	39,320
Federal Home Loan Bank advances	95,000	105,000	110,000	110,000
Lease liability	2,695	2,774	2,849	2,924
Subordinated debentures	14,790	14,781	14,773	14,764
Accrued expenses and other liabilities	8,734	8,745	7,722	8,370
Total liabilities	1,041,100	1,057,233	1,037,513	1,026,693
Common stock/APIC	2,555	2,510	2,465	2,420
Retained earnings	99,247	97,478	95,695	93,694
Accumulated other comprehensive income (loss)	(17,405)	(15,242)	(16,713)	(20,315)
Total stockholders' equity	84,396	84,746	81,447	75,799
Total liabilities and stockholders' equity	\$ 1,125,496	\$ 1,141,979	\$ 1,118,960	\$ 1,102,492

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As of March 31, 2026

	Three Months Ended March 31, 2026 (000s)	Three Months Ended December 31, 2025 (000s)	Three Months Ended September, 30 2025 (000s)	Three Months Ended March 31, 2025 (000s)	Nine Months Ended March 31, 2026 (000s)	Nine Months Ended March 31, 2025 (000s)
<u>Income Statement (Unaudited):</u>						
<u>Interest Income</u>						
Loans	\$ 12,859	\$ 12,920	\$ 13,176	\$ 12,224	\$ 38,955	\$ 36,234
Securities - Taxable	1,350	1,326	1,310	1,259	3,985	3,626
Securities - Tax-Exempt	442	425	385	360	1,252	1,078
Other	603	681	573	101	1,857	405
Total Interest Income	\$ 15,254	\$ 15,351	\$ 15,443	\$ 13,944	\$ 46,049	\$ 41,344
<u>Interest Expense</u>						
Deposits	\$ 5,018	\$ 5,086	\$ 4,972	\$ 3,886	\$ 15,076	\$ 12,727
Other Borrowings	1,240	1,366	1,513	1,756	4,119	4,856
Total Interest Expense	\$ 6,258	\$ 6,452	\$ 6,484	\$ 5,643	\$ 19,195	\$ 17,583
Net Interest Income	\$ 8,996	\$ 8,898	\$ 8,959	\$ 8,301	\$ 26,854	\$ 23,761
Provision for Credit Losses	350	350	350	274	1,050	556
Net Interest Income After Provision for Credit Losses	\$ 8,646	\$ 8,548	\$ 8,609	\$ 8,027	\$ 25,804	\$ 23,205
<u>Non-interest income</u>						
Service charges and fees on deposit accounts	303	298	299	282	900	856
Trust fees	532	616	514	482	1,662	1,462
Gain on sale of loans	144	185	196	113	525	421
Gain (loss) on sale of securities	-	-	-	-	-	-
Increase in cash value of life insurance	108	110	104	94	322	297
Interchange income	422	437	462	407	1,321	1,293
Other	573	162	154	200	889	837
Total non-interest income	2,083	1,807	1,729	1,578	5,619	5,164
<u>Non-interest expense</u>						
Salaries and employee benefits	4,515	4,294	4,131	3,890	12,940	11,505
Occupancy	561	475	432	419	1,468	1,204
Equipment	385	349	268	246	1,002	701
Data processing	727	623	735	775	2,085	2,235
FDIC premiums	143	141	129	124	412	351
Professional Expense	425	309	334	946	1,068	1,919
Marketing	185	214	284	267	682	650
Other	839	976	741	581	2,557	1,766
Total non-interest expense	7,779	7,380	7,054	7,248	22,214	20,332
Income before taxes	2,949	2,975	3,284	2,356	9,208	8,038
Income tax expense	443	455	545	332	1,443	1,154
Net income	\$ 2,506	\$ 2,521	\$ 2,739	\$ 2,024	\$ 7,765	\$ 6,884

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	(Unaudited) Three Months Ended March 31, 2026	(Unaudited) Three Months Ended December 31, 2025	(Unaudited) Three Months Ended September 30, 2025	(Unaudited) Three Months Ended March 31, 2025	(Unaudited) Nine Months Ended March 31, 2026	(Unaudited) Nine Months Ended March 31, 2025
Selected Financial Ratios and Other Financial Data:						
Per common share:						
Basic and Diluted earnings	\$ 1.37	\$ 1.38	\$ 1.50	\$ 1.11	\$ 4.24	\$ 3.76
Dividends	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.38	\$ 1.20	\$ 1.14
Dividend payout ratio	29%	29%	27%	34%	28%	30%
Performance Ratios:						
Return on average assets	0.88%	0.89%	0.98%	0.80%	0.93%	0.91%
Return on average equity	11.74%	11.89%	13.80%	11.31%	12.81%	12.74%
Net interest margin	3.29%	3.29%	3.34%	3.53%	3.32%	3.44%
Efficiency ratio	70.22%	68.94%	66.00%	73.37%	67.47%	70.29%
Allowance for credit losses:						
Balance, beginning of the period	\$ 10,681	\$ 10,593	\$ 10,306	\$ 10,161	\$ 10,306	\$ 9,368
Total net charge offs (recoveries)	49	176	(11)	290	165	(91)
Provision for loan losses	275	264	275	215	539	626
Balance, end of the period	\$ 10,907	\$ 10,681	\$ 10,593	\$ 10,086	\$ 10,681	\$ 10,086
Net loan charge-offs to average loans	0.01%	0.02%	0.00%	0.04%	0.01%	-0.01%
Nonperforming assets (000s)						
Total non-accrual loans	\$ 3,484	\$ 2,521	\$ 2,498	\$ 2,979		
Accruing loans past due 90 days or more	1,075	273	218	783		
Total nonperforming loans	4,558	2,794	2,716	3,762		
Real estate owned	-	-	-	-		
Other repossessed assets	-	-	-	-		
Total nonperforming assets	\$ 4,558	\$ 2,794	\$ 2,716	\$ 3,762		
Asset Quality Ratios:						
Nonperforming assets to total assets	0.40%	0.24%	0.24%	0.36%		
Nonperforming loans to total loans	0.57%	0.35%	0.34%	0.49%		
Allowance for credit losses to nonperforming loans	239.28%	382.33%	389.95%	268.11%		
Allowance for credit losses to loans receivable	1.37%	1.32%	1.34%	1.30%		
Net Loans to Total Deposits	85.09%	86.73%	88.20%	102.62%		
Other Information:						
Total shares outstanding	1,830,312	1,830,312	1,830,312	1,830,312		
Tangible book value per common share	\$ 46.11	\$ 46.30	\$ 44.50	\$ 41.41		
Tangible common equity to tangible assets	7.50%	7.42%	7.28%	6.88%		