

## Company Press Release

### **First Bancorp of Indiana, Inc. Announces Financial Results**

EVANSVILLE, Ind., January 27, 2017. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$360,000 for the quarter ended December 31, 2016, compared to net income of \$483,000 in the same quarter last year. The quarter-over-quarter change was attributed largely to a 7.0% decrease in net interest income coupled with a 2.9% increase in noninterest expenses.

The Company recognized earnings of \$754,000 in the first half of fiscal 2017, 20.4% below the same period last fiscal year. Although net loans and investments are little changed from a year ago, rates steadily declined during the first ten months of calendar 2016 resulting in reduced interest income. Noninterest income declined 2.6% between the comparative six-month periods due to a reduction in fees and charges on deposit accounts. Costs associated with the transition to an outsourced IT management solution and greater compensation expenses were largely responsible for the 4.2% increase in year-to-date noninterest expenses.

At approximately 8.8%, First Federal's tier one capital ratio was well in excess of the five percent regulatory standard for "well-capitalized" financial institutions. The bank's other capital measurements also continue to comfortably exceed "well-capitalized" standards. In addition, First Bancorp has paid a dividend of 15.5 cents per outstanding share for 35 consecutive quarters.

Certain information in this press release may constitute forward-looking information that involves risks and uncertainties that could cause actual results to differ materially from those estimated. Persons are cautioned that such forward-looking statements are not guarantees of future performance and are subject to various factors that could cause actual results to differ materially from those estimated. Undue reliance should not be placed on such forward-looking statements.

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**First Bancorp of Indiana, Inc.**  
**Consolidated Financial Highlights**  
(in thousands)

	<u>12/31/2016</u>	<u>6/30/2016</u>
<b><u>Selected Balance Sheet Data:</u></b>	<i>(unaudited)</i>	
Total assets	410,541	397,754
Investment securities	98,010	93,463
Loans receivable, net	244,192	237,168
Deposit accounts	265,701	251,585
Borrowings	103,155	103,155
Stockholders' equity	36,422	38,136

	<b>Three months</b>		<b>Six months</b>	
	<b>ended December 31,</b>		<b>ended December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b><u>Operating Results:</u></b>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,404	3,583	6,876	7,040
Interest expense	783	766	1,539	1,538
Net interest income	2,621	2,817	5,337	5,502
Provision for loan losses	0	30	10	65
Net interest income after provision	2,621	2,787	5,327	5,437
Noninterest income	840	851	1,694	1,740
Noninterest expense	3,096	3,009	6,230	5,981
Income before income taxes and cumulative effect of a change in accounting principle	365	629	791	1,196
Income taxes	5	146	37	249
Net income	360	483	754	947