

## Company Press Release

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

EVANSVILLE, Ind., April 28, 2017. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$261,000 for the quarter ended March 31, 2017, compared to net income of \$548,000 in the same quarter last year. The quarter-over-quarter change was largely attributed to a \$289,000 gain from the sale of investment securities reflected in last year's noninterest income. In addition, net interest income for the most recent quarter decreased 2.9% from the year-ago quarter due primarily to greater borrowing costs and reduced investment income.

The Company recognized earnings of \$1,015,000 through the first nine months of fiscal 2017, down from \$1,494,000 for the same period in fiscal 2016. Although changes in loan mix contributed to a modest decrease in year-to-date interest income, total loans have grown 3.5% since the beginning of the fiscal year. Noninterest income decreased 11.7% between the comparative nine-month periods mainly due to the aforementioned gain on the sale of investment securities that occurred last fiscal year. Costs associated with the transition to an outsourced IT management solution and greater compensation expenses were largely responsible for the 3.2% increase in year-to-date noninterest expenses.

At approximately 8.9%, First Federal's tier one capital ratio at March 31, 2017, 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 36 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>3/31/2017</u>	<u>6/30/2016</u>
<b><u>Selected Balance Sheet Data:</u></b>	<i>(unaudited)</i>	
Total assets	404,245	397,754
Investment securities	97,108	93,463
Loans receivable, net	245,473	237,168
Deposit accounts	259,240	251,585
Borrowings	103,155	103,155
Stockholders' equity	36,625	38,136

	<b>Three months</b>		<b>Nine months</b>	
	<b>ended March 31,</b>		<b>ended March 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b><u>Operating Results:</u></b>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,386	3,420	10,262	10,460
Interest expense	773	730	2,312	2,268
Net interest income	2,613	2,690	7,950	8,192
Provision for loan losses	0	20	10	85
Net interest income after provision	2,613	2,670	7,940	8,107
Noninterest income	782	1,064	2,476	2,803
Noninterest expense	3,154	3,115	9,384	9,095
Income before income taxes and cumulative effect of a change in accounting principle	241	619	1,032	1,815
Income taxes	-20	71	17	321
Net income	261	548	1,015	1,494