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

EVANSVILLE, Ind., November 5, 2026. First Bancorp of Indiana, Inc. (OTCPK:FBPI), the holding company (the "Company") for First Federal Savings Bank (the "Bank"), reported earnings of $674,000 ($0.39 per diluted common share) for the first fiscal quarter ended September 30, 2026, compared to $437,000 ($0.26 per diluted common share) for the same quarter a year ago. Earnings for the three-month period equate to a return on average assets ("ROAA") of 0.47% and a return on average equity ("ROAE") of 7.27%. This compares to an annualized ROAA of 0.29% and an annualized ROAE of 5.21% for the prior year quarter.

"Our first-quarter results reflect continued progress in managing the cost and composition of our funding," stated Michael H. Head, President and CEO. "Stable deposits, reduced reliance on higher-cost brokered deposits, and continued development of core and public funds relationships contributed to lower funding costs and improved net interest margin."

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

| | 9/30/2026 | 6/30/2026 |
|---|---|---|
| **Selected Balance Sheet Data:** | *(unaudited)* | |
| Total assets | 584,167 | 576,521 |
| Investment securities | 79,798 | 87,144 |
| Loans receivable, net | 439,852 | 424,118 |
| Deposit accounts | 469,284 | 469,075 |
| Borrowings | 72,534 | 61,992 |
| Stockholders' equity | 33,383 | 37,999 |

| | Three months ended September 30, 2026 | 2025 |
|---|---|---|
| **Selected Operating Data:** | *(unaudited)* | *(unaudited)* |
| Interest income | 7,427 | 7,746 |
| Interest expense | 3,316 | 3,774 |
| Net interest income | 4,111 | 3,972 |
| Provision for credit losses | 0 | 0 |
| Net interest income after provision | 4,111 | 3,972 |
| Noninterest income | 1,349 | 997 |
| Noninterest expense | 4,870 | 4,602 |
| Income before income taxes and cumulative effect of a change in accounting principle | 590 | 367 |
| Income taxes | (84) | (70) |
| Net income | 674 | 437 |

Net interest income for the quarter ended September 30, 2026, improved from the same timeframe last fiscal year. The Company's focus on lowering funding costs more than offset reduced interest income from loans and investments. The Company's net interest margin ("NIM"), measured as a percentage of average interest-earning assets, improved to 3.10% from 2.86% for the prior-year quarter. Noninterest income increased by 35.3% during the most recent quarter, driven by higher service charge income and proceeds from a life insurance claim. Noninterest expense also increased, primarily reflecting higher compensation costs, data processing charges, and professional fees.

The securities portfolio, composed primarily of investment-grade municipal bonds and obligations of U.S. government agencies, totaled $79.8 million at September 30, 2026, compared with $87.1 million at the beginning of the fiscal year. In addition to routine principal repayments, the decrease primarily reflected an increase in the unrealized loss on the Bank's available-for-sale securities portfolio resulting from the recent rise in long-term interest rates.

Net loans outstanding totaled $439.9 million at September 30, 2026, an increase of $15.7 million, or 3.7%, during the quarter. Commercial loan production totaled $15.2 million for the quarter. Single-family mortgage loan production, consisting primarily of loans originated for sale to Fannie Mae or the Federal Home Loan Bank, totaled $5.1 million. Consumer loan originations, including automobile, personal, and home equity loans and lines of credit, totaled $6.2 million.

No provision for credit losses on loans was recorded in the three months ended September 30, 2026 or 2025. Net loan charge offs totaled $234,900 for the current quarter, compared to $32,700 for the comparative quarter last year. The ratio of nonperforming loans 90 days or more delinquent to total loans was 0.27% on September 30, 2026, compared to 0.29% a year ago.

The allowance for credit losses, including reserves for investment securities and unfunded commitments, stood at $5.11 million at September 30, 2026, compared to $5.28 million on September 30, 2025. The portion of the allowance attributed to the loan portfolio represented 1.12% of at-risk loans on September 30, 2026, compared to 1.13% last year. Management considers the allowance appropriate under current conditions. However, high energy prices, rising interest rates, and elevated inflation could adversely affect borrowers and the credit quality

of the loan portfolio. In response, management continues to closely monitor borrowers most affected by these challenges and stands ready to adjust the allowance as needed to address emerging risks.

Total deposit accounts, totaling $469.3 million on September 30, 2026, remained stable from the beginning of the fiscal year, while the Bank continued to retire higher cost brokered deposits. Although local deposit competition has increased in recent months as Treasury rates rose, the focus on core deposits and public funds relationships helped reduce the cost of deposits to 2.32% for the current quarter compared to 2.56% for the same quarter last fiscal year. Similarly, the Company's total cost of funds, including FHLB advances and debt of the holding company, totaled 2.52% for the quarter, compared with 2.70% for the quarter ended September 30, 2025.

As part of the Bank's liquidity management plan, management maintains diversified contingent funding sources and performs liquidity stress testing to assess funding adequacy. At September 30, 2026, the Bank had $22.5 million of unused lines of credit with correspondent financial institutions. Additional secured borrowing capacity included $16.9 million through the Federal Reserve Bank's discount window and $115.6 million through the Federal Home Loan Bank.

Stockholders' equity totaled $33.4 million on September 30, 2026, compared with $35.7 million at September 30, 2025. The year-over-year decline was primarily the result of an increase in the unrealized loss on the Bank's available-for-sale securities portfolio. Based on the 1,712,058 outstanding common shares on September 30, 2026, the tangible book value per share of FBPI stock was $15.86, compared to $17.28 on September 30, 2025.

On September 30, 2026, First Federal Savings Bank's Community Bank Leverage Ratio ("CBLR") was 9.63%. At September 30, 2025, the Bank reported a Tier 1 leverage ratio of 8.92%.

At its October meeting, the Board of Directors of First Bancorp of Indiana, Inc. declared a cash dividend of $0.08 per share, payable to stockholders of record as of December 1, 2026. The dividend will be paid on or about December 15, 2026. While it is the Board's intent to pay a regular quarterly dividend, the payment of any future dividends will be subject to, among other factors, the Company's and the Bank's financial condition, earnings, and capital requirements.

This press release may contain statements that are forward-looking, as that term is defined by the Private Securities Litigation Act of 1995 or the Securities and Exchange Commission in its rules, regulations and releases. The Company intends that such forward-looking statements be subject to the safe harbors created thereby. All forward-looking statements are based on current expectations regarding important risk factors including, but not limited to: general economic conditions; prices for real estate in the Company's market areas; the interest rate environment and the impact of the interest rate environment on our business, financial condition and results of operations; our ability to successfully conserve and enhance capital levels, enhance liquidity and earnings, and reduce higher funding costs; the Company's ability to pay future dividends; the Bank's ability to pay dividends to the Company to fund the payment of cash dividends on the Company's common stock, and the ability of the Bank to receive any required regulatory approval or non-objection to do so; changes in the demand for loans or in the quality or composition of our loan or investment portfolios; deposits and other financial services that we provide; the possibility that future credit losses may be higher than currently expected as a result of changes in relevant accounting or regulatory requirements, among other factors; competitive pressures among financial services companies; the ability to attract, develop and retain qualified employees; our ability to maintain the security of our data processing and information technology systems; the outcome of pending or threatened litigation, or of matters before regulatory agencies; changes in law, governmental policies and regulations; and rapidly changing technology affecting financial services. Accordingly, actual results may differ from those expressed in the forward-looking statements, and the making of such statements should not be regarded as a representation by the Company or any other person that results expressed therein will be achieved. The Company undertakes no obligation to release revisions to these forward-looking statements publicly to reflect events or circumstances after the date hereof or to reflect the occurrence of unforeseen events, except as required to be reported by applicable law.

CONTACT: Michael H. Head, President and CEO, First Bancorp of Indiana, 812-492-8100. **www.firstfedsavings.bank**