

## Company Press Release

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

EVANSVILLE, Ind., April 27, 2016. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$548,000 for the quarter ended March 31, 2016, compared to net income of \$389,000 in the same quarter last year. The quarter-over-quarter change was attributed primarily to gains from sales of investment securities as reflected by the increase in noninterest income. These gains more than offset a 4.1% increase in noninterest expenses due largely to the transition to an outsourced IT management solution. In addition, net interest income for the most recent quarter improved marginally from the year-ago quarter.

The Company recognized earnings of \$1,494,000 through the first nine months of fiscal 2016, up from \$1,081,000 for the same period in fiscal 2015. In addition to the aforementioned investment sale, fiscal 2016 earnings have benefitted from a 5.1% increase in net interest income thanks to a lower cost of funds and improved performance of the investment portfolio. Furthermore, the modest provisions for loan losses reflects the improving credit quality of the loan portfolio.

At approximately 8.9%, First Federal's tier one capital ratio at March 31, 2016, 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 32 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>3/31/2016</u>	<u>6/30/2015</u>
<b><u>Selected Balance Sheet Data:</u></b>	<i>(unaudited)</i>	
Total assets	402,650	396,646
Investment securities	99,316	87,181
Loans receivable, net	241,320	243,745
Deposit accounts	255,999	267,409
Borrowings	103,155	88,155
Stockholders' equity	37,842	36,895

	<b>Three months</b>		<b>Nine months</b>	
	<b>ended March 31,</b>		<b>ended March 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	3,420	3,441	10,460	10,240
Interest expense	730	775	2,268	2,445
Net interest income	2,690	2,666	8,192	7,795
Provision for loan losses	20	0	85	75
Net interest income after provision	2,670	2,666	8,107	7,720
Noninterest income	1,064	766	2,803	2,392
Noninterest expense	3,115	2,992	9,095	8,924
Income before income taxes and cumulative effect of a change in accounting principle	619	440	1,815	1,188
Income taxes	71	51	321	107
Net income	548	389	1,494	1,081