

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., July 29, 2016. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$1,936,000 for the fiscal year ended June 30, 2016, up 27.6% from the preceding fiscal year. For the just-completed quarter, the company recognized income of \$441,000 compared to \$436,000 in the year-ago quarter. Although net loans contracted \$6.6 million, or 2.7%, during fiscal 2016, net interest income for the twelve months improved 5.3% thanks to greater investment revenues and lower funding costs. Noninterest income was up 9.1% in fiscal 2016 as gains from sales of investment securities more than offset weaker loan sale revenue. The effect of reduced loan sales were particularly noticeable in the quarter-over-quarter change in noninterest income. Costs associated with the transition to an outsourced IT management solution were largely responsible for the quarterly and annual increases in noninterest expenses.

At approximately 8.8%, First Federal's tier one capital ratio at June 30, 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 cash dividend of 15.5 cents per outstanding share for 33 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>6/30/2016</u>	<u>6/30/2015</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	399,122	396,646
Investment securities	93,463	87,181
Loans receivable, net	237,134	243,745
Deposit accounts	251,585	267,409
Borrowings	103,155	88,155
Stockholders' equity	38,136	36,895

	Three months		Year	
	ended June 30,		ended June 30,	
	2016	2015	2016	2015
<u>Operating Results:</u>	<i>(unaudited)</i>		<i>(unaudited)</i>	
Interest income	3,510	3,407	13,970	13,649
Interest expense	716	775	2,984	3,220
Net interest income	2,794	2,632	10,986	10,429
Provision for loan losses	40	0	125	75
Net interest income after provision	2,754	2,632	10,861	10,354
Noninterest income	787	903	3,592	3,292
Noninterest expense	3,036	3,023	12,132	11,947
Income before income taxes and cumulative effect of a change in accounting principle	505	512	2,321	1,699
Income taxes	64	76	385	182
Net income	441	436	1,936	1,517