

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., February 9, 2018. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$185,000 for the quarter ended December 31, 2017, compared to net income of \$360,000 in the same quarter last year. The quarter-over-quarter change was attributed in large part to accounting for the effects of the tax reform legislation passed just days before the end of the quarter. Generally accepted account principles require that the effects of changes to tax laws and rates be reflected in current income. As such, all deferred assets and liabilities as of December 31, 2017, were identified and adjusted accordingly. The net effect was an \$89,000 one-time charge to income tax expense. In addition, a 12.6% increase in net interest income was more than offset by reduced noninterest income, which includes net losses from the disposition of repossessed assets, and greater noninterest expenses.

The Company recognized earnings of \$624,000 in the first half of fiscal 2018, 17.2% below the same period last fiscal year. The aforementioned one-time tax adjustment accounted for much of the decline. Net interest income improved \$472,000 thanks to net loan growth of \$43.1 million over the past twelve months. However, noninterest expenses increased 8.0% between the comparative six-month periods due chiefly to personnel costs and professional fees.

At approximately 8.3%, 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 39 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>12/31/2017</u>	<u>6/30/2017</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	436,697	422,239
Investment securities	88,958	90,815
Loans receivable, net	287,401	255,324
Deposit accounts	296,865	278,443
Borrowings	98,155	103,155
Stockholders' equity	36,512	36,560

	Three months		Six months	
	ended December 31,		ended December 31,	
	2017	2016	2017	2016
<u>Operating Results:</u>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,750	3,404	7,367	6,876
Interest expense	798	783	1,558	1,539
Net interest income	2,952	2,621	5,809	5,337
Provision for loan losses	0	0	0	10
Net interest income after provision	2,952	2,621	5,809	5,327
Noninterest income	702	840	1,634	1,694
Noninterest expense	3,435	3,096	6,731	6,230
Income before income taxes and cumulative effect of a change in accounting principle	219	365	712	791
Income taxes	34	5	88	37
Net income	185	360	624	754