

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., January 22, 2016. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$483,000 for the quarter ended December 31, 2015, compared to net income of \$373,000 in the same quarter last year. The quarter-over-quarter change was attributed largely to a 6.8% increase in net interest income.

The Company recognized earnings of \$947,000 in the first half of fiscal 2016, a 36.8% improvement from the same period last fiscal year. Lower cost of funds and improved performance of the investment portfolio were primarily responsible for the 7.3% increase in net interest income. In addition, the modest provision for loan losses reflects the continually improving credit quality of the loan portfolio. Noninterest income improved 7.0% between the comparative six-month periods as the gradual recovery of the housing market has led to greater mortgage loan sales. At the same time, noninterest expenses have been contained, increasing less than one percent.

At approximately 8.7%, 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 31 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>12/31/2015</u>	<u>6/30/2015</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	402,919	396,646
Investment securities	97,410	87,181
Loans receivable, net	244,258	243,745
Deposit accounts	252,529	267,409
Borrowings	103,155	88,155
Stockholders' equity	37,285	36,895

	Three months		Six months	
	ended December 31,		ended December 31,	
	2015	2014	2015	2014
<u>Operating Results:</u>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,583	3,475	7,040	6,799
Interest expense	766	837	1,538	1,670
Net interest income	2,817	2,638	5,502	5,129
Provision for loan losses	30	55	65	75
Net interest income after provision	2,787	2,583	5,437	5,054
Noninterest income	851	848	1,740	1,626
Noninterest expense	3,009	3,013	5,981	5,932
Income before income taxes and cumulative effect of a change in accounting principle	629	418	1,196	748
Income taxes	146	45	249	56
Net income	483	373	947	692