

## Company Press Release

# First Bancorp of Indiana, Inc. Announces Financial Results and Quarterly Cash Dividend

EVANSVILLE, Ind., August 23, 2019. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$355,000 for the quarter ended June 30, 2019, compared to net income of \$111,000 in the same quarter last year. The quarter-over-quarter change was largely attributed to a 9.4% improvement in net interest income together with a 3.0% noninterest expense reduction. A \$447,000 gain on sales of investment securities during the most recent quarter was responsible for the increase in noninterest income. During the same period, the company recorded a \$490,000 provision to bolster its loan loss reserves.

The company reported earnings of \$2.1 million for the fiscal year ended June 30, 2019, nearly double the preceding year's total. Interest income increased 12.8% in fiscal 2019 as net loans grew \$15.7 million, or 5.6%, and loan yields improved overall. Interest expense increased 34.5% in fiscal 2019 as competition for fixed-term deposits, particularly in the local market, intensified. Excluding nonroutine gains from sales of investment securities, noninterest income dipped 2.6% in fiscal 2019 as service charge revenues and gains on loan sales were marginally lower. Noninterest expenses for fiscal 2019 were 5.0% less than the prior year with professional fees and compensation responsible for much of the savings.

At approximately 8.4%, First Federal's tier one capital ratio at June 30, 2019, 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, the Board of Directors has declared a quarterly cash dividend of \$0.155 per share, payable to stockholders of record as of September 3, 2019. The dividend will be paid on or about September 13, 2019. The annual dividend rate on this quarterly declaration is unchanged from the preceding quarter and results in an annualized dividend yield of 3.03% based on the \$20.48 share price for the last reported trade as of August 22, 2019.

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>6/30/2019</u>	<u>6/30/2018</u>
<b><u>Selected Balance Sheet Data:</u></b>	<i>(unaudited)</i>	
Total assets	430,922	434,533
Investment securities	84,347	84,486
Loans receivable, net	296,137	280,423
Deposit accounts	293,107	294,640
Borrowings	95,209	100,155
Stockholders' equity	37,914	35,326

	<b>Three months</b>		<b>Year</b>	
	<b>ended June 30,</b>		<b>ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b><u>Operating Results:</u></b>	<i>(unaudited)</i>		<i>(unaudited)</i>	
Interest income	4,301	3,767	16,829	14,915
Interest expense	1,155	892	4,389	3,263
Net interest income	3,146	2,875	12,440	11,652
Provision for loan losses	490	0	590	0
Net interest income after provision	2,656	2,875	11,850	11,652
Noninterest income	1,149	668	3,545	3,155
Noninterest expense	3,428	3,533	13,019	13,706
Income before income taxes and cumulative effect of a change in accounting principle	377	10	2,376	1,101
Income taxes	22	-101	275	31
Net income	355	111	2,101	1,070