

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., April 18, 2013. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$471,000 for the quarter ended March 31, 2013, compared to net income of \$196,000 in the same quarter last year. The Company recognized earnings of \$1,252,000 through the first nine months of fiscal 2013, up from \$864,000 for the same period in fiscal 2012. The higher comparative quarterly and year-to-date earnings were due partly to increased net interest income as lower funding costs and strong loan growth, 23.7% over the past 12 months alone, mitigated lower loan and investment yields. Gains from sales of newly originated mortgage loans and income generated from a consistently growing retail deposit base were major factors behind the 25.6% year-to-date increase in noninterest income. In addition, impairment charges recorded on certain investment securities for the current quarter and year-to-date approximated \$19,000 and \$50,000, respectively, compared to \$148,000 and \$187,000 for the same periods last fiscal year. These charges, which are presented as a reduction of noninterest income, do not represent realized losses and the eventual recovery of a portion of the charges is possible. A new operations center, a new branch facility in Petersburg, Indiana, and additional staffing needs were the factors primarily responsible for the higher noninterest expenses.

At approximately 8.8%, 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 paid a dividend of 15.5 cents per outstanding share for the 20th consecutive quarter.

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>Selected Balance Sheet Data:</u>	<u>3/31/2013</u>	<u>6/30/2012</u>
	<i>(unaudited)</i>	
Total assets	382,431	381,186
Investment securities	87,650	115,680
Loans receivable, net	213,287	182,381
Deposit accounts	267,652	269,197
Borrowings	73,155	73,155
Stockholders' equity	35,600	34,778

<u>Operating Results:</u>	<u>Three months</u>		<u>Nine months</u>	
	<u>ended March 31,</u>		<u>ended March 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,186	3,323	9,867	10,304
Interest expense	876	1,169	2,864	3,593
Net interest income	2,310	2,154	7,003	6,711
Provision for loan losses	55	70	280	320
Net interest income after provision	2,255	2,084	6,723	6,391
Noninterest income	1,010	704	2,920	2,325
Noninterest expense	2,783	2,652	8,361	7,833
Income before income taxes and cumulative effect of a change in accounting principle	482	136	1,282	883
Income taxes	11	-60	30	19
Net income	471	196	1,252	864