

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., October 25, 2013. First Bancorp of Indiana, Inc. (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$300,000 for the first fiscal quarter ended September 30, 2013, compared to \$432,000 for the same quarter a year ago.

Net interest income for quarter ended September 30, 2013, improved 3.3% from the same period last fiscal year as a decrease in the cost of funds more than offset lower interest revenue. During the past year First Federal addressed the compressive effect of historically low interest rates by growing net loans by \$22.2 million, or 11.5%, and reducing investment securities 16.4%. Noninterest income declined 12.9% between the comparative quarters due in part to reduced gains from the sale of loans as far fewer borrowers sought to refinance their mortgage loans due to a spike in interest rates during the most recent quarter. Conversely, fees generated from personal and commercial deposit accounts increased 11.4% from the first quarter of fiscal 2012. Finally, costs associated with a new operations center, a new branch facility in Petersburg, Indiana, and additional staffing needs were largely responsible for the 3.5% quarter-over-quarter increase in noninterest expenses.

At approximately 9.0%, 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 22nd 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 Information
(in thousands)

	<u>9/30/2013</u>	<u>6/30/2013</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	368,620	376,940
Investment securities	93,074	87,376
Loans receivable, net	216,974	213,994
Deposit accounts	255,384	264,948
Borrowings	73,155	73,155
Stockholders' equity	34,688	34,454
	Three months	
	ended September 30,	
	2013	2012
<u>Selected Operating Data:</u>	<i>(unaudited)</i>	
Interest income	3,261	3,373
Interest expense	842	1,033
Net interest income	2,419	2,340
Provision for loan losses	120	105
Net interest income after provision	2,299	2,235
Noninterest income	892	1,025
Noninterest expense	2,904	2,806
Income before income taxes and cumulative effect of a change in accounting principle	287	454
Income taxes	-13	22
Net income	300	432