

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., July 25, 2014. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$387,000 for the for the quarter ended June 30, 2014, compared to net income of \$353,000 in the same quarter last year. Despite a slowdown in residential mortgage activity, particularly the refinancing of existing loans, net loans grew \$20.4 million, or 9.5%, during the intervening 12 months contributing to a 6.3% improvement in net interest income for the comparative quarters. Steadily improving loan credit quality were reflected in lower quarterly loan loss provisions and noninterest expenses. Conversely, gains from sales of newly originated mortgage loans were down \$217,000 between the quarters.

Although gains on loan sales declined \$830,000 in the fiscal year ended June 30, 2014, net income decreased just \$186,000 to \$1.4 million as net interest income improved 5.5% supported by the strong loan growth. Costs associated with a new operations center, a new branch facility in Petersburg, Indiana, and additional staffing needs were largely responsible for the 2.3% increase in noninterest expenses for the comparative fiscal years.

At approximately 8.9%, First Federal's tier one capital ratio at June 30, 2014, 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 cash dividend of 15.5 cents per outstanding share for 25 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>6/30/2014</u>	<u>6/30/2013</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	375,810	376,940
Investment securities	81,441	87,376
Loans receivable, net	234,345	213,994
Deposit accounts	259,906	264,948
Borrowings	73,155	73,155
Stockholders' equity	36,626	34,454

	Three months		Year	
	ended June 30,		ended June 30,	
	2014	2013	2014	2013
<u>Operating Results:</u>	<i>(unaudited)</i>		<i>(unaudited)</i>	
Interest income	3,355	3,222	13,245	13,095
Interest expense	838	855	3,352	3,719
Net interest income	2,517	2,367	9,893	9,376
Provision for loan losses	45	100	240	380
Net interest income after provision	2,472	2,267	9,653	8,996
Noninterest income	789	871	3,304	3,785
Noninterest expense	2,823	2,790	11,409	11,150
Income before income taxes and cumulative effect of a change in accounting principle	438	348	1,548	1,631
Income taxes	51	-5	129	26
Net income	387	353	1,419	1,605