

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., October 24, 2014. First Bancorp of Indiana, Inc. (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$319,000 for the first fiscal quarter ended September 30, 2014, compared to \$300,000 for the same quarter a year ago.

Net interest income for quarter ended September 30, 2014, improved 3.0% from the same period last fiscal year as the net loan portfolio grew \$15.1 million, or 7.0%, over the past year. This followed loan growth of 11.5% during the prior 12-month period. In addition, the credit quality of the loan portfolio continues to improve. Consequently, provisions for loan losses for the most recent quarter were trimmed from the same quarter last fiscal year. Although mortgage loan rates remain low by historic standards, the number of borrowers seeking to refinance their homes has declined considerably during the past year. Furthermore, loans to purchase homes remain well below the levels preceding the financial crisis. With far fewer loans available to sell, noninterest income declined 12.8% between the comparative quarters.

At approximately 8.9%, 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 26th 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.

CONTACT: Michael H. Head, President and CEO, First Bancorp of Indiana, 812-492-8100.

First Bancorp of Indiana, Inc.
Consolidated Financial Information
(in thousands)

	<u>9/30/2014</u>	<u>6/30/2014</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	374,428	375,428
Investment securities	93,413	81,441
Loans receivable, net	232,099	234,353
Deposit accounts	258,598	260,980
Borrowings	73,155	73,155
Stockholders' equity	36,523	36,626
	Three months	
	ended September 30,	
	2014	2013
<u>Selected Operating Data:</u>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,325	3,261
Interest expense	833	842
Net interest income	2,492	2,419
Provision for loan losses	20	120
Net interest income after provision	2,472	2,299
Noninterest income	778	892
Noninterest expense	2,920	2,904
Income before income taxes and cumulative effect of a change in accounting principle	330	287
Income taxes	11	-13
Net income	319	300