Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., October 19, 2012. First Bancorp of Indiana, Inc. (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of $432,000 for the first fiscal quarter ended September 30, 2012, compared to $308,000 for the same quarter a year ago. Strong loan production and favorable deposit growth during the intervening 12 months were largely responsible for the improved earnings.

Net interest income for quarter ended September 30, 2012, improved 2.1% from the same period last fiscal year as a decrease in the cost of deposits more then offset lower loan and investment yields. Noninterest income improved 42.6% between the comparative quarters due largely to increased gains from the sale of loans. In addition, fees generated from personal and commercial deposit accounts increased 17.1% over the same span thanks to 21.0% growth in the number of checking accounts. Finally, the increase in noninterest expenses for the comparative quarters is largely associated with an expansion of the business lending function. This investment is reflected in the $32.8 million, or 20.2%, net loan growth over the past 12 months.

At approximately 8.6%, 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 18th 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)

	9/30/2012	6/30/2012
Selected Balance Sheet Data:	*(unaudited)*	
Total assets	386,099	381,186
Investment securities	111,349	115,680
Loans receivable, net	195,247	182,381
Deposit accounts	270,280	269,197
Borrowings	73,155	73,155
Stockholders' equity	35,673	34,778

	Three months ended September 30,	
	2012	2011
Selected Operating Data:	*(unaudited)*	
Interest income	3,373	3,530
Interest expense	1,033	1,237
Net interest income	2,340	2,293
Provision for loan losses	105	150
Net interest income after provision	2,235	2,143
Noninterest income	1,025	719
Noninterest expense	2,806	2,527
Income before income taxes and cumulative effect of a change in accounting principle	454	335
Income taxes	22	27
Net income	432	308