Press Release

To: All Media

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First Security continues to make great progress relative to expansion and profitability. With the opening of three new locations in the past 18 months, we have seen one location already profitable and the other two quickly approaching profitability. Subsequently, our profitability has continued to show improvement each quarter in the last 12 months.

With a view to the future we continue to seek potential opportunities for partnering with others where it makes financial sense. We are pleased with current demand for purchasing additional common stock. Additionally, we are close to announcing a significant amount of new capital which will help our company support acquisition and expansion opportunities.

The Board of Directors has declared a Common Stock dividend of $0.16 per share, our 41st consecutive dividend, to all shareholders of record as of October 30, 2013, the record date. The dividend yield is approximately 2.25% based upon the most recent known stock sale of $28.50 per share.

First Security was recently featured in the annual **Inc. Magazine**, Hire Power Awards, recognizing private businesses that have generated the most jobs in the past 18 months. From January 1st, 2012 to June 30th 2013, First Security generated 27 full-time jobs placing it among the top 10 private business job creators within the state of Kentucky. We were # 6 in the state of Kentucky and the only bank in the state to receive this recognition.

The company recorded net income of $265,000 for the third quarter, or $0.33 diluted earnings per share down from the third quarter of 2012 but improved from the first and second quarter of 2013 and the last quarter of 2012 (absent the impact of any gains on the sale of securities). Net income for the third quarter was 15% higher than the second quarter net income (excluding the impact of the net gain on the sale of securities). Our financial results for the third quarter are consistent with our projection that each quarter of 2013 should improve over the prior quarter.

Financial highlights for the 3rd quarter are compared to the same period one-year ago, unless stated otherwise:

- ***Assets*** *at quarter end totaled* ***$458 million,*** *a $9.5 million increase from prior quarter and an increase of* ***12%*** *over the same quarter, prior year.*
- ***Loans -*** *increased $13.5 million over prior quarter and* ***$63.4 million*** *or* ***21%*** *over the same quarter, prior year.*
- ***Deposits -*** *Deposits increased $9.7 million over prior quarter and* ***$33.9 million*** *or* ***10%*** *over the same quarter, prior year.*

- ***Net Income*** *for the current quarter was $265,000, down $126,000 from prior quarter and down $48,000 from same quarter last year. However the third quarter shows an* ***increase of $36,000*** *over prior quarter when eliminating gain on sale of securities.*
- ***Net Interest Margin-*** *Margin declined 26 basis points from 3.65% to 3.39%*
- ***Diluted earnings per share*** *for the current quarter was $0.33 versus $0.40*
- ***Net interest income*** *for the current quarter**,** our primary source of revenue,* ***increased 11%***
- ***Noninterest income*** *for the current quarter* ***increased 9%***
- ***Noninterest expense*** *for the current quarter increased 13% (due primarily to new branch office openings)*

While the strong growth in loans, deposits and net interest income came from both new and existing banking centers, the increase in noninterest expense was primarily driven by the addition of the Lexington, Newburgh and downtown Evansville branch offices which opened in 2012. A substantial impact to earnings for the quarter and year, as compared to the same prior year period, was a 12 basis point and 26 basis point decline in net interest margin. This decline has narrowed as compared to the second quarter 2013 year over year and quarter over quarter results, a sign that the impact of a declining margin is slowing. We have worked hard to offset this decline in part with additional, high quality loans.

Maintaining strong credit quality will continue to be our focus. While not immune from credit losses, we have continued to perform better than our peer group with nonperforming assets to total assets at the end of the quarter at 1.19%. The total amount set aside as reserves to cover losses within the Company's loan portfolio totals $4.2 million, representing **1.16% of total loans**. The Company believes it has recorded an adequate reserve, in the form of an allowance for loan losses and a discount on purchased loans.

We believe we are continuing to build a franchise of which each shareholder will reap the benefits for many years to come.