



**First Security Inc.**

---

Press Release

For Immediate Release

To: All News Media

Date: November 9, 2011

For further information contact:

M. Lynn Cooper, President and CEO, 270-663-4678 or [LCooper@FirstSecurity.net](mailto:LCooper@FirstSecurity.net) or

Michael Beckwith, S.V.P. and Chief Financial Officer, 270-663-4668 or [MBeckwith@FirstSecurity.net](mailto:MBeckwith@FirstSecurity.net)

**First Security Inc. the bank holding company for First Security Bank, announces another record quarter earnings.**

**First Security Inc. (First Security or Company) is pleased to report a record quarter in net income.** In addition, First Security was recognized as a Five Star rated bank by Bauer Financial Inc., the nation's leading independent bank rating company.

"We are extremely humbled to have received the **5 Star Rating** by Bauer Financial, the highest possible rating which is higher than any rating achieved by any other commercial bank in the Owensboro and Evansville market and is equal to the highest rating achieved in the Bowling Green and Lexington, KY markets," stated M. Lynn Cooper, President and CEO.

First Security recorded its 9<sup>th</sup> consecutive quarter of year over year increases in quarterly net income. Net income for the third quarter of 2011 was **\$657,000** as compared to \$398,000 during the same prior year period, a **65% increase**. Net income for the year was \$1.7 million, up nearly \$700,000 or 66 % from one year ago. Net income is also up over the second quarter of 2011, which was \$572,000, an increase of \$85,000 or 15%.

M. Lynn Cooper further stated, "Our dedicated associates continue to work tirelessly to attract and service our many great customers. Their efforts helped lead to a more than 6% increase in loans outstanding and over 14% increase in total retail deposits over the last year. These are remarkable results as many other banks have continued to be challenged with retaining their loan and deposit customers."

The Company also announced a **dividend of 14 cents per share** payable to shareholders of record as of October 26, 2011. This is the 33<sup>rd</sup> successive quarter of dividends and the **7<sup>th</sup> consecutive year of dividend increases**.

Highlights of the third quarter of 2011, which reflect the change as compared to the same period in 2010, follow:

- ***Basic earnings per share increased 60%***
- ***Net Interest Income increased 18%***
- ***Efficiency Ratio improved 9.5% to 69.3%***
- ***Return on assets increased 39% to 0.71%***
- ***Return on equity increased 45% to 11.65%***
- ***Book value per share is at \$30.06 per share, up 9%***

“We are pleased to report that the Company recently completed a very successful capital raising campaign. Over the last year we have raised approximately \$13.5 million in common stock and convertible subordinated debentures. This capital enabled the Company to enter the Bowling Green/Franklin, Kentucky markets and further grow the Evansville and Owensboro markets as well as the Lexington market. While this capital effort is complete, our strong growth as well as many new opportunities to expand may lead to the need for additional capital in the future,” commented M. Lynn Cooper.

While the Company is not immune to credit losses, First Security has continued to perform better than the majority of banks in its peer group. Nonperforming loans to total loans of 0.82% at September 2011, as disclosed in the Uniform Bank Performance Report at September 30, 2011 were well below its peer group.

M. Lynn Cooper concluded by stating, “We are extremely excited to soon open a full service banking location in Lexington, Kentucky, a new market for the Company. Our **9<sup>th</sup> banking center** will be located at 2352 Sir Barton Way in what is more commonly referred to as the **Hamburg Place** area. We expect to announce soon a talented team of bankers that will share and grow the First Security culture of community banking.”