

First Savings Financial Group Inc
Form DEF 14A
January 07, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

FIRST SAVINGS FINANCIAL GROUP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

..

Title of each class of securities to which the transaction applies:

(1)

N/A

Aggregate number of securities to which the transaction applies:

(2)

N/A

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

N/A

Proposed maximum aggregate value of the transaction:

(4)

N/A

Total fee paid:

(5)

N/A

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the

.. Form or Schedule and the date of its filing.

Amount Previously Paid:

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N/A

Form, Schedule or Registration Statement No.:

(2)

N/A

Filing Party:

(3)

N/A

Date Filed:

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N/A

January 7, 2013

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders of First Savings Financial Group, Inc. (the “Company”). The meeting will be held at the Sheraton Riverside Hotel, 700 West Riverside Drive, Jeffersonville, Indiana, on Wednesday, February 13, 2013, at 2:00 p.m., local time.

The notice of annual meeting and proxy statement appearing on the following pages describe the formal business to be transacted at the meeting. Directors and officers of the Company, as well as representatives of Monroe Shine & Co., Inc., the Company’s independent registered public accounting firm, will be present to respond to appropriate questions from shareholders.

It is important that your shares are represented at the meeting, whether or not you attend the meeting in person and regardless of the number of shares you own. To make sure your shares are represented, we urge you to vote by promptly completing and mailing the enclosed proxy card or by voting via the Internet or by telephone. Internet and telephone voting instructions appear on the enclosed proxy card. If you attend the meeting, you may vote in person even if you have previously mailed a proxy card or voted via the Internet or by telephone.

We look forward to seeing you at the meeting.

Sincerely,

Larry W. Myers
President and Chief Executive Officer

501 East Lewis & Clark Parkway

Clarksville, Indiana 47129

(812) 283-0724

NOTICE OF 2013 ANNUAL MEETING OF SHAREHOLDERS

TIME AND DATE 2:00 p.m., local time, on Wednesday, February 13, 2013.

PLACE Sheraton Riverside Hotel, 700 West Riverside Drive, Jeffersonville, Indiana.

**ITEMS OF
BUSINESS**

- (1) To elect four directors to serve for a term of three years.
- (2) To ratify the appointment of Monroe Shine & Co., Inc. as the independent registered public accounting firm for the fiscal year ending September 30, 2013.
- (3) To approve a non-binding resolution to approve the compensation of the named executive officers as disclosed in the accompanying proxy statement.
- (4) To transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.

RECORD DATE To vote, you must have been a shareholder at the close of business on December 31, 2012.

PROXY VOTING It is important that your shares be represented and voted at the meeting. You can vote your shares via the Internet, by telephone or by completing and returning the proxy card or voting instruction card sent to you. You can revoke a proxy at any time before its exercise at the meeting by following the instructions in the proxy statement.

By Order of the Board of Directors,

John P. Lawson, Jr.
Corporate Secretary
Clarksville, Indiana

January 7, 2013

FIRST SAVINGS FINANCIAL GROUP, INC.

Proxy Statement

GENERAL INFORMATION

We are providing this proxy statement to you in connection with the solicitation of proxies by the Board of Directors of First Savings Financial Group, Inc. for the 2013 annual meeting of shareholders and for any adjournment or postponement of the meeting. In this proxy statement, we may also refer to First Savings Financial Group as the “Company,” “we,” “our” or “us.”

First Savings Financial Group is the holding company for First Savings Bank, F.S.B. In this proxy statement, we may also refer to First Savings Bank as the “Bank.”

We are holding the 2013 annual meeting of shareholders at the Sheraton Riverside Hotel, 700 West Riverside Drive, Jeffersonville, Indiana, on Wednesday, February 13, 2013 at 2:00 p.m., local time.

We intend to mail this proxy statement and the enclosed proxy card to shareholders of record beginning on or about January 7, 2013.

Important Notice Regarding the Availability of Proxy Materials

for the SHAREHOLDERS’ Meeting to be held on FEBRUARY 13, 2013

This Proxy Statement and the Company’s Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, are available at www.proxyvote.com.

INFORMATION ABOUT VOTING

Who Can Vote at the Meeting

You are entitled to vote your shares of First Savings Financial Group common stock that you owned as of December 31, 2012. As of the close of business on December 31, 2012, 2,317,815 shares of First Savings Financial Group common stock were outstanding. Each share of common stock has one vote.

The Company's Articles of Incorporation provides that record holders of the Company's common stock who beneficially own, either directly or indirectly, in excess of 10% of the Company's outstanding shares are not entitled to any vote with respect to those shares held in excess of the 10% limit.

Ownership of Shares; Attending the Meeting

You may own shares of First Savings Financial Group in one or more of the following ways:

- Directly in your name as the shareholder of record;
- Indirectly through a broker, bank or other holder of record in "street name";
- Indirectly through the First Savings Bank, F.S.B. Employee Stock Ownership Plan (the "ESOP");

- Indirectly through the First Savings Bank Profit Sharing/401(k) Plan (the “401(k) Plan”); or
- Indirectly through the First Savings Financial Group, Inc. Equity Incentive Plan (the “Equity Incentive Plan”).

If your shares are registered directly in your name, you are the holder of record of these shares and we are sending these proxy materials directly to you. As the holder of record, you have the right to give your proxy directly to us or to vote in person at the meeting.

If you hold your shares in street name, your broker, bank or other holder of record is sending these proxy materials to you. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote by filling out a voting instruction form that accompanies your proxy materials. Your broker, bank or other holder of record may allow you to provide voting instructions by telephone or by the Internet. Please see the instruction form provided by your broker, bank or other holder of record that accompanies this proxy statement. If you hold your shares in street name, you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership. If you want to vote your shares of First Savings Financial Group common stock held in street name in person at the meeting, you must obtain a written proxy in your name from the broker, bank or other nominee who is the record holder of your shares.

If you own shares of Company common stock indirectly through the First Savings Bank, F.S.B. Employee Stock Ownership Plan, the First Savings Bank Profit Sharing/401(k) Plan or the First Savings Financial Group, Inc. Equity Incentive Plan, see “*Participants in the ESOP, 401(k) Plan or Equity Incentive Plan*” for voting information.

Quorum and Vote Required

Quorum. We will have a quorum and will be able to conduct the business of the annual meeting if the holders of a majority of the outstanding shares of common stock entitled to vote are present at the meeting, either in person or by proxy.

Vote Required for Proposals. At this year’s annual meeting, shareholders will elect four directors to serve for a term of three years. In voting on the election of directors, you may vote in favor of the nominees, withhold votes as to all nominees, or withhold votes as to specific nominees. There is no cumulative voting for the election of directors. Directors must be elected by a plurality of the votes cast at the annual meeting. This means that the nominees receiving the greatest number of votes will be elected up to the maximum number of directors to be elected at the annual meeting. The maximum number of directors to be elected at the annual meeting is four.

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In voting on the ratification of the appointment of Monroe Shine & Co., Inc. as the Company's independent registered public accounting firm, you may vote in favor of the proposal, vote against the proposal or abstain from voting. To ratify the appointment of Monroe Shine & Co., Inc. as our independent registered public accounting firm for fiscal 2013, the affirmative vote of a majority of the votes cast at the annual meeting is required.

In voting on the non-binding resolution to approve the compensation of the named executive officers, you may vote in favor of the proposal, vote against the proposal or abstain from voting. To approve the non-binding resolution, the affirmative vote of a majority of the votes cast at the annual meeting is required.

How We Count Votes. If you return valid proxy instructions or attend the meeting in person, we will count your shares to determine whether there is quorum, even if you abstain from voting. Broker non-votes also will be counted to determine the existence of a quorum.

In the election of directors, votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In counting votes on the proposal to ratify the appointment of the independent registered public accounting firm, abstentions and broker non-votes will have no effect on the outcome of the proposal. Similarly, abstentions and broker non-votes will have no effect on the outcome of the non-binding vote on the compensation of the named executive officers.

Effect of Not Casting Your Vote

If you hold your shares in street name, it is critical that you cast your vote if you want it to count in the election of directors (Item 1) or on the advisory vote regarding the compensation of our named executive officers (Item 3). Current regulations restrict the ability of your bank or broker to vote your uninstructed shares in the election of directors and on certain other matters on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors or on the advisory vote regarding the compensation of our named executive officers, no votes will be cast on these matters on your behalf. These are referred to as broker non-votes. Your bank or broker does, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Item 2).

Voting by Proxy

The Company's Board of Directors is sending you this proxy statement to request that you allow your shares of Company common stock to be represented at the annual meeting by the persons named in the enclosed proxy card. All shares of Company common stock represented at the meeting by properly executed and dated proxies will be voted according to the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by the Company's Board of Directors. The Board of Directors recommends that you vote:

FOR the election of the nominees for director;

FOR the ratification of the appointment of Monroe Shine & Co., Inc. as the Company's independent registered public accounting firm; and

FOR the approval of the compensation of the named executive officers.

If any matters not described in this proxy statement are properly presented at the annual meeting, the persons named in the proxy card will use their judgment to determine how to vote your shares. This includes a motion to adjourn or postpone the annual meeting to solicit additional proxies. If the annual meeting is postponed or adjourned, your shares of Company common stock may be voted by the persons named in the proxy card on the new meeting date, provided that the new meeting occurs within 30 days of the annual meeting and you have not revoked your proxy. The Company does not currently know of any other matters to be presented at the meeting.

Instead of voting by completing and mailing a proxy card, registered shareholders can vote their shares of Company common stock via the Internet or by telephone. The Internet and telephone voting procedures are designed to authenticate shareholders' identities, allow shareholders to provide their voting instructions and confirm that their instructions have been recorded properly. Specific instructions for Internet and telephone voting are set forth on the enclosed proxy card and for the benefit plans on the voting instruction cards. **The deadline for voting via the Internet or by telephone is 11:59 p.m., Eastern time, on Tuesday, February 12, 2013.**

ESOP, 401(k) Plan and/or Equity Incentive Plan Participant Voting

If you participate in the ESOP, invest in Company common stock through the 401(k) Plan or have been awarded restricted stock under the Company's Equity Incentive Plan which was unvested as of the record date for the Annual Meeting, you will receive a voting instruction card for each plan that reflects all shares you may direct the trustees to vote on your behalf under the plan. You may submit your voting instruction cards, or convey your voting instructions via the Internet, by telephone or by mail. Specific instructions for Internet or telephone submission are set forth on the voting instruction cards. Under the terms of the ESOP, all allocated shares of First Savings Financial Group common stock held by the ESOP are voted by the ESOP trustee, as directed by plan participants. The ESOP trustee generally votes all unallocated shares of Company common stock held by the ESOP and allocated shares for which no timely voting instructions are received in the same proportion as shares for which the ESOP trustee has received timely voting instructions, subject to the exercise of its fiduciary duties. Under the terms of the 401(k) Plan and Equity Incentive Plan a participant may direct the trustee how to vote the shares of First Savings Financial Group stock credited to the Participant under the plan. The Company will direct the 401(k) Plan trustee and the Equity Incentive Plan trustee how to vote the shares of Company common stock for which timely voting instructions are not received. **The deadline for returning your voting instruction cards is February 6, 2013.**

Revoking Your Proxy

Whether you vote or direct your vote by mail, telephone or via the Internet, if you are a registered shareholder or a participant in the ESOP, 401(k) Plan and/or Equity Incentive Plan, unless otherwise noted, you may later revoke your proxy by:

- sending a written statement to that effect to the Corporate Secretary of the Company;
- submitting a properly signed proxy card or voting instruction card with a later date;
- voting by telephone or via the Internet at a later time (if initially able to vote in that manner) so long as such vote or voting direction is received by the applicable date and time set forth above for registered shareholders and

participants in the ESOP, 401(k) Plan and/or Equity Incentive Plan; or

voting in person at the Annual Meeting (except for shares held in the ESOP, 401(k) Plan and/or Equity Incentive Plan).

If you hold your shares through a bank, broker, trustee or nominee and you have instructed the bank, broker, trustee or nominee to vote your shares, you must follow the directions received from you bank, broker, trustee or nominee to change those instructions.

CORPORATE GOVERNANCE

Director Independence

The Company's Board of Directors currently consists of ten members, all of whom are independent under the listing requirements of the Nasdaq Stock Market, Inc., except for Larry W. Myers, John P. Lawson, Jr., Samuel E. Eckart and Vaughn K. Timberlake, who are or were previously employed as executive officers of the Company, the Bank or both. In determining the independence of directors, the Board of Directors considered the various deposit, loan and other relationships that each director has with the Bank, including loans and lines of credit outstanding to Vaughn K. Timberlake, Charles E. Becht, Jr. and Frank N. Czeschin, in addition to the transactions disclosed under "*Other Information Relating to Directors and Executive Officers—Transactions with Related Persons*", but determined in each case that these relationships did not interfere with their exercise of independent judgment in carrying out their responsibilities as directors.

Board Leadership Structure and Board's Role in Risk Oversight

The Board of Directors has determined that the separation of the offices of Chairman of the Board and of President and Chief Executive Officer enhances Board independence and oversight. Moreover, the separation of those offices allows the President and Chief Executive Officer to better focus on his growing responsibilities of running the Company, enhancing shareholder value and expanding and strengthening the Company's franchise while allowing the Chairman of the Board to lead the Board in its fundamental role of providing advice to and independent oversight of management. Consistent with this determination, Michael F. Ludden serves as Chairman of the Board of Directors. Mr. Ludden is independent under the listing requirements of The Nasdaq Stock Market, Inc.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. The Company faces a number of risks, including credit risk, interest rate risk, liquidity risk, operational risk, strategic risk and reputation risk. Management is responsible for the day-to-day management of risks the Company faces, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. To do this, the Chairman of the Board meets regularly with management to discuss strategy and the risks facing the Company. Senior management attends the Board meetings and is available to address any questions or concerns raised by the Board on risk management and any other matters. The Chairman of the Board and independent members of the Board work together to provide strong, independent oversight of the Company's management and affairs through its standing committees and, when necessary, special meetings of independent directors.

Corporate Governance Policy

The Board of Directors has adopted a corporate governance policy to govern certain activities, including: the duties and responsibilities of directors; the composition, responsibilities and operations of the Board of Directors; the establishment and operation of Board committees; succession planning; convening executive sessions of independent directors; the Board of Directors' interaction with management and third parties; and the evaluation of the performance of the Board of Directors and of the President and Chief Executive Officer.

Committees of the Board of Directors

The following table identifies our standing committees and their members at September 30, 2012. All members of each committee are independent in accordance with the listing requirements of the Nasdaq Stock Market, Inc. Each committee operates under a written charter that is approved by the Board of Directors and that governs its composition, responsibilities and operation. Each committee reviews and reassesses the adequacy of its charter at least annually. The charters of all three committees are available at the Investor Relations section of the Bank's website (www.fsbbank.net).

Director	Nominating/		
	Audit Committee	Compensation Committee	Corporate Governance Committee
Charles E. Becht, Jr.		X*	X
Cecile A. Blau			X*
Frank N. Czeschin	X	X	
Gerald Wayne Clapp, Jr.	X		
Samuel E. Eckart			
John P. Lawson, Jr.			
Michael F. Ludden	X	X	X
Larry W. Myers			
Vaughn K. Timberlake			
Douglas A. York	X*		
Number of meetings in 2012	7	7	1

* Denotes Chairperson

Audit Committee

The Audit Committee is responsible for providing oversight relating to our consolidated financial statements and financial reporting process, systems of internal accounting and financial controls, internal audit function, annual independent audit and the compliance and ethics programs established by management and the Board. The Audit Committee is also responsible for engaging the Company's independent registered public accounting firm and monitoring its conduct and independence. The Company's Board of Directors has designated Douglas A. York, CPA as an "audit committee financial expert" under the rules of the Securities and Exchange Commission.

Compensation Committee

The Compensation Committee approves the compensation objectives for the Company and the Bank, establishes the compensation for the Company's and Bank's senior management and conducts the performance review of the President and Chief Executive Officer. The Compensation Committee reviews all components of compensation, including salaries, cash incentive plans, long-term incentive plans and various employee benefit matters. Decisions by the Compensation Committee with respect to the compensation of executive officers are approved by the full Board of Directors. The Committee also assists the Board of Directors in evaluating potential candidates for executive positions.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee assists the Board of Directors in: (1) identifying individuals qualified to become Board members, consistent with criteria approved by the Board; (2) recommending to the Board the director nominees for the next annual meeting; (3) implementing policies and practices relating to corporate governance, including implementation of and monitoring adherence to corporate governance guidelines; (4) leading the Board in its annual review of the Board's performance; and (5) recommending director nominees for each committee.

Minimum Qualifications for Director Nominees. The Nominating/Corporate Governance Committee has adopted a set of criteria that it considers when it selects individuals to be nominated for election to the Board of Directors. A candidate must meet the eligibility requirements set forth in the Company's Bylaws, which include an age limitation and a requirement that the candidate not have been subject to certain criminal or regulatory actions. A candidate also must meet any qualification requirements set forth in any Board of Directors or committee governing documents.

If a candidate is deemed eligible for election to the Board of Directors, the Nominating/ Corporate Governance Committee will then evaluate the following criteria in selecting nominees:

- contributions to the range of talent, skill and expertise of the Board of Directors;
- financial, regulatory and business experience, knowledge of the banking and financial service industries, familiarity with the operations of public companies and ability to read and understand financial statements;
- familiarity with the Company's market area and participation in and ties to local businesses and local civic, charitable and religious organizations;
- personal and professional integrity, honesty and reputation;
- the ability to represent the best interests of the shareholders of the Company and the best interests of the institution;
- the ability to devote sufficient time and energy to the performance of his or her duties;
- independence as that term is defined under applicable Securities and Exchange Commission and stock exchange listing criteria; and

current equity holdings in the Company.

The Nominating/Corporate Governance Committee also will consider any other factors it deems relevant, including diversity, competition, size of the Board of Directors and regulatory disclosure obligations.

With respect to nominating an existing director for re-election to the Board of Directors, the Nominating/Corporate Governance Committee will consider and review an existing director's attendance and performance at Board meetings and at meetings of committees on which he or she serves; length of Board service; the experience, skills and contributions that the existing director brings to the Board; and independence.

Director Nomination Process. The process that the Nominating/Corporate Governance Committee follows to identify and evaluate individuals to be nominated for election to the Board of Directors is as follows:

For purposes of identifying nominees for the Board of Directors, the Nominating/Corporate Governance Committee relies on personal contacts of the committee members and other members of the Board of Directors, as well as its knowledge of members of the communities served by the Bank. The Nominating/Corporate Governance Committee will also consider director candidates recommended by shareholders according to the policy and procedures set forth below. The Nominating/Corporate Governance Committee has not previously used an independent search firm to identify nominees.

In evaluating potential nominees, the Nominating/Corporate Governance Committee determines whether the candidate is eligible and qualified for service on the Board of Directors by evaluating the candidate under the criteria set forth above. If such individual fulfills these criteria, the Nominating/Corporate Governance Committee will conduct a check of the individual's background and interview the candidate to further assess the qualities of the prospective nominee and the contributions he or she would make to the Board.

Considerations of Recommendations by Shareholders. The policy of the Nominating/Corporate Governance Committee is to consider director candidates recommended by shareholders who appear to be qualified to serve on the Company's Board of Directors. The Nominating/Corporate Governance Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and the Nominating/Corporate Governance Committee does not perceive a need to increase the size of the Board of Directors. To avoid the unnecessary use of the Nominating/Corporate Governance Committee's resources, the Nominating/Corporate Governance Committee will consider only those director candidates recommended in accordance with the procedures set forth below.

Procedures to be Followed by Shareholders. To submit a recommendation of a director candidate to the Nominating/Corporate Governance Committee, a shareholder should submit the following information in writing, addressed to the Chairman of the Nominating/Corporate Governance Committee, care of the Corporate Secretary, at the main office of the Company:

1. The name of the person recommended as a director candidate;

2. All information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934;

3.

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The written consent of the person being recommended as a director candidate to being named in the proxy statement as a nominee and to serving as a director if elected;

4. As to the shareholder making the recommendation, the name and address of such shareholder as they appear on the Company's books; provided, however, that if the shareholder is not a registered holder of the Company's common stock, the shareholder should submit his or her name and address along with a current written statement from the record holder of the shares that reflects ownership of the Company's common stock; and

5. A statement disclosing whether such shareholder is acting with or on behalf of any other person and, if applicable, the identity of such person.

In order for a director candidate to be considered for nomination at the Company's annual meeting of shareholders, the recommendation must be received by the Nominating/Corporate Governance Committee at least 120 calendar days before the date the Company's proxy statement was released to shareholders in connection with the previous year's annual meeting, advanced by one year.

Board and Committee Meetings

During the fiscal year ended September 30, 2012, the Board of Directors of the Bank held 14 regular meetings, including its annual organizational meeting, and the Board of the Directors of the Company held 12 regular meetings, including its annual organizational meeting. No director attended fewer than 75% of the total meetings of the Company's or the Bank's Board of Directors and the respective committees on which such director served during fiscal 2012.

Director Attendance at the Annual Meeting of Shareholders

The Board of Directors encourages each director to attend the Company's annual meeting of shareholders. Each of the Company's directors attended last year's annual meeting of shareholders.

Code of Ethics and Business Conduct

The Company has adopted a code of ethics and business conduct which applies to all of the Company's and the Bank's directors, officers and employees. A copy of the code of ethics and business conduct is available to stockholders on the Investor Relations portion of the Bank's website at www.fsbbank.net.

REPORT OF THE AUDIT COMMITTEE

The Company's management is responsible for the Company's internal controls and financial reporting process. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements and issuing an opinion on the conformity of those financial statements with generally accepted accounting principles. The Audit Committee oversees the Company's internal controls and financial reporting process on behalf of the Board of Directors.

In this context, the Audit Committee has met and held discussions with management and the independent registered public accounting firm. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. The Audit Committee discussed with the independent registered public

accounting firm matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1 AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including the quality, and not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements.

In addition, the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the firm's independence from the Company and its management. In concluding that the registered public accounting firm is independent, the Audit Committee considered, among other factors, whether the non-audit services provided by the firm were compatible with its independence.

The Audit Committee discussed with the Company's independent registered public accounting firm the overall scope and plans for their audit. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their examination, their evaluation of the Company's internal controls, and the overall quality of the Company's financial reporting.

In performing all of these functions, the Audit Committee acts only in an oversight capacity. In its oversight role, the Audit Committee relies on the work and assurances of the Company's management, which has the primary responsibility for financial statements and reports, and of the independent registered public accounting firm who, in its report, express an opinion on the conformity of the Company's consolidated financial statements to generally accepted accounting principles. The Audit Committee's oversight does not provide it with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions with management and the independent registered public accounting firm do not assure that the Company's consolidated financial statements are presented in accordance with generally accepted accounting principles, that the audit of the Company's consolidated financial statements has been carried out in accordance with generally accepted auditing standards or that the Company's independent registered public accounting firm is "independent."

In reliance on the reviews and discussions referred to above, the Audit Committee has recommended to the Board of Directors, and the Board has approved, that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2012 for filing with the Securities and Exchange Commission. The Audit Committee also has approved, subject to shareholder ratification, the selection of the Company's independent registered public accounting firm for the fiscal year ending September 30, 2013.

Audit Committee of the Board of Directors of

First Savings Financial Group, Inc.

Douglas A. York, Chairman

Gerald W. Clapp, Jr.

Frank N. Czeschin

Michael F. Ludden

DIRECTOR COMPENSATION

The following table provides the compensation received by individuals who served as directors, and who were not also named executive officers, of First Savings Financial Group during the 2012 fiscal year.

	Fees Earned or Paid in Cash	Stock Awards (1)	Option Awards (2)	Nonqualified Deferred Compensation Earnings	Total
Charles E. Becht, Jr.	\$ 8,800	\$ —	\$ —	\$ 1,063	\$9,863
Cecile A. Blau	5,850	—	—	—	5,850
Gerald Wayne Clapp, Jr.	7,300	—	—	837	8,137
Frank N. Czeschin	8,800	—	—	—	8,800
Michael F. Ludden	9,400	—	—	1,694	11,094
Vaughn K. Timberlake	5,500	—	—	768	6,268
Douglas A. York	10,000	—	—	—	10,000

- (1) See footnotes to the directors and executive officers stock ownership table under “Stock Ownership” for the aggregate number of unvested restricted stock award shares held in trust for each director at September 30, 2012. As of September 30, 2012, Messrs. Becht, Clapp and York, and Ms. Blau each held 8,972 options to purchase shares of Company common stock (of which 3,588 each were exercisable), Messrs. Czeschin and Timberlake each
- (2) held 4,486 options to purchase shares of Company common stock (of which 1,795 each were exercisable) and Mr. Ludden held 13,458 options to purchase shares of Company common stock (of which 5,383 were exercisable).

Cash Retainer and Meeting Fees For Non-Employee Directors. The following table sets forth the applicable retainers and fees currently paid to our non-employee directors for their service on the Boards of Directors of First Savings Financial Group and First Savings Bank for their service.

Board of Directors of First Savings Bank	
Fee per Board Meeting – Director	\$ 1,000
Fee per Board Meeting – Chairman	\$ 1,400
Board of Directors of First Savings Financial Group	
Annual Retainer	\$5,500
Fee per Committee Meeting – Director	\$300
— Audit Committee Chairman	750
— Compensation Committee Chairman	500
— Nominating/Corporate Governance Committee Chairman	350

Directors' Deferred Compensation Agreements. The Company and the Bank maintain deferred compensation agreements with some of their non-employee directors. Under the agreements, each director may defer the receipt of meeting and other board fees to a future date; generally until a director's normal retirement date of age 70. Under the agreements, the Company and the Bank credit the deferred compensation amounts quarterly with interest at an annual rate equal to the prime rate for the immediately preceding calendar quarter plus 2%, but in no event at a rate in excess of 8%. Subject to certain elections available to each director, deferred compensation amounts are distributable in a single lump sum or over a period of 180 months, typically commencing at normal retirement age or termination of service. Benefits also become distributable in a single lump sum or over a 180-month period following a director becoming disabled. If a director dies before the commencement of benefit payments or before the completion of all benefit payments, the benefit or remaining benefit, as the case may be, are distributed to the director's beneficiary in a single lump sum.

STOCK OWNERSHIP

The following table provides information as of December 31, 2012 about the persons, other than directors and executive officers, known to the Company to be the beneficial owners of more than 5% of the Company's outstanding common stock. A person may be considered to beneficially own any shares of common stock over which the person has, directly or indirectly, sole or shared voting or investment power.

Name and Address	Number of Shares Owned	Percent of Common Stock Outstanding ⁽¹⁾	
First Savings Bank, F.S.B. Employee Stock Ownership Plan 501 East Lewis & Clark Parkway Clarksville, Indiana 47129	191,723	(2)	8.27 %
FJ Capital Long/Short Equity Fund LLC ⁽³⁾ Compo Investment Partners LP Martin S. Friedman 1313 Dolley Madison Blvd., Ste. 306 McLean, Virginia 22101	196,710		8.49 %
First Savings Bank Profit Sharing/401(k) Plan 501 East Lewis & Clark Parkway Clarksville, Indiana 47129	146,759		6.33 %

(1) Based on 2,317,815 shares of the Company's common stock outstanding and entitled to vote as of December 31, 2012.

(2) As of December 31, 2012, 72,643 shares have been allocated to participants' ESOP accounts.

Based exclusively on a Schedule 13D/A filed with the Securities and Exchange Commission on December 21, (3)2012, which was filed jointly by the following parties: FJ Capital Long/Short Equity Fund LLC, Compo Investment Partners LP and Martin S. Friedman.

The following table provides information about the shares of Company common stock that may be considered to be owned by each director or nominee for director of the Company, by the executive officers named in the Summary Compensation Table and by all directors, nominees for director and executive officers of the Company as a group as of December 31, 2012. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, each of the named individuals has sole voting and investment power with respect to the shares shown and none of the named individuals

has pledged any of his or her shares.

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Name	Number of Shares Owned	Percent of Common Stock Outstanding ⁽¹⁾		
Directors:				
Charles E. Becht, Jr.	28,177	(2)	1.21	%
Cecile A. Blau	13,297	(3)	*	
Gerald Wayne Clapp, Jr.	39,977	(4)	1.72	%
Frank N. Czeschin	4,589	(5)	*	
Samuel E. Eckart	18,357	(6)	*	
John P. Lawson, Jr.	53,309	(7)	2.29	%
Michael F. Ludden	40,766	(8)	1.75	%
Larry W. Myers	112,843	(9)	4.84	%
Vaughn K. Timberlake	5,357	(10)	*	
Douglas A. York	37,177	(11)	1.60	%
Executive Officers Who Are Not Directors:				
Anthony A. Schoen	38,777	(12)	1.66	%
All Directors and Executive Officers as a Group (11 persons)	392,386		16.40	%

*Represents less than 1% of the Company's outstanding shares.

- (1) Based on 2,317,815 shares of the Company's common stock outstanding and entitled to vote as of December 31, 2012, plus shares that may be acquired by the named individual, or by all directors and executive officers as a group, within 60 days upon the exercise of options.
- (2) Includes 840 shares held in an individual retirement account, 160 shares held in Mr. Becht's spouse's i