

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., July 22, 2009. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$1.46 million for the fiscal year ended June 30, 2009, versus \$803,500 last fiscal year. The increased earnings in fiscal 2009 were attributed largely to an improved net interest margin and fee income enhancements that more than offset increased provisions for loan losses and greater noninterest expenses. Earnings for the year ended June 30, 2009, represented \$0.85 per average outstanding share (diluted) compared to \$0.45 the preceding fiscal year. The Company recognized net income of \$138,500 for the fourth fiscal quarter ended June 30, 2009, compared to \$12,200 of net income for the same quarter in fiscal 2008. The fourth quarter results included a \$163,000 accrual for a special assessment imposed by the FDIC on all insured financial institutions. The special assessment was in addition to a regular quarterly assessment that was more than double the rate for the same quarter last year. Also, a \$500,000 provision for loan losses was recognized during the most recent quarter increasing the annual total to \$1.5 million. First Bancorp paid a dividend of 15.5 cents during the most recent quarter, unchanged from each of the first three quarters of the fiscal year.

The financial results in fiscal 2009 further strengthened First Federal's Tier 1 capital ratio from 7.60% to approximately 8.40%. This ratio and the bank's other capital measurements continue to comfortably exceed all regulatory standards for "well-capitalized" financial institutions. Consequently, First Bancorp did not apply to participate in the Treasury Department's Capital Purchase Program, commonly referred to as the "bank bailout".

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 Highlights
(in thousands)

	<u>6/30/2009</u>	<u>6/30/2008</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	358,829	377,346
Investment securities	91,499	91,751
Loans receivable, net	204,552	226,474
Deposit accounts	228,748	244,053
Borrowings	95,655	95,655
Equity capital	29,053	31,575

	Three months ended June 30,		Twelve months ended June 30,	
	2009	2008	2009	2008
<u>Operating Results:</u>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	4,633	5,174	19,423	20,954
Interest expense	2,262	2,976	9,881	12,928
Net interest income	2,371	2,198	9,542	8,026
Provision for loan losses	500	760	1,500	1,090
Net interest income after provision	1,871	1,438	8,042	6,936
Noninterest income	778	626	2,660	2,249
Noninterest expense	2,590	2,161	8,925	8,274
Income before income taxes	59	-97	1,777	911
Income taxes	-79	-109	319	107
Net income	138	12	1,458	804

For further information:

Michael H. Head, President & CEO
(812) 492-8100