



## Company Press Release

### **First Bancorp of Indiana, Inc. Announces Financial Results**

EVANSVILLE, Ind., July 22, 2010. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$1.39 million for the fiscal year ended June 30, 2010, compared to net income of \$1.36 million last fiscal year. For the most recent quarter, the Company recognized net income of \$365,000 versus \$35,100 in the same quarter a year ago. Net interest income in fiscal 2010 decreased only slightly from the preceding year despite narrowing investment spreads. At \$1.15 million, provisions for loan losses, though substantial in fiscal 2010, were \$650,000 below the fiscal 2009 total. Excluding impairment charges on certain investment securities, noninterest income improved \$165,000 in fiscal 2010. The impairment charges, which totaled \$464,000 on a pre-tax basis and are presented as a reduction of noninterest income, do not represent realized losses and the eventual recovery of the total investment is possible. In the face of the many well-documented challenges facing the industry, First Federal's tier one capital ratio has strengthened from 8.40% to approximately 9.20%. This ratio and the Bank's other capital measurements continue to comfortably exceed all regulatory standards for "well-capitalized" financial institutions.

Earnings for the year ended June 30, 2010, represented \$0.80 per average outstanding share (diluted) compared to \$0.79 the preceding fiscal year. The Company paid a dividend of 15.5 cents during the most recent quarter, unchanged from the preceding eight quarters.

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 Highlights**  
(in thousands)

	<u>6/30/2010</u>	<u>6/30/2009</u>
<b><u>Selected Balance Sheet Data:</u></b>	<i>(unaudited)</i>	
Total assets	344,244	358,647
Investment securities	109,327	91,499
Loans receivable, net	170,722	204,252
Deposit accounts	211,645	228,748
Borrowings	95,155	95,655
Equity capital	32,828	28,949

	<b>Three months ended June 30,</b>		<b>Twelve months ended June 30,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b><u>Operating Results:</u></b>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,936	4,570	17,052	19,360
Interest expense	1,766	2,262	7,734	9,881
Net interest income	2,170	2,308	9,318	9,479
Provision for loan losses	105	800	1,150	1,800
Net interest income after provision	2,065	1,508	8,168	7,679
Noninterest income	725	898	2,489	2,781
Noninterest expense	2,378	2,590	9,154	8,926
Income before income taxes	412	(184)	1,503	1,534
Income taxes	47	(219)	112	179
Net income	365	35	1,391	1,355