

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., October 15, 2008. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$458,000 for the first fiscal quarter ended September 30, 2008, compared to net income of \$189,000 in the same quarter of fiscal 2007. The increased earnings were attributed largely to an improved net interest margin and fee income enhancements. The first quarter results boosted First Federal's Tier 1 capital ratio from 7.60% to approximately 8.24%. The bank continues to exceed all regulatory standards for "well-capitalized" financial institutions. President Michael Head stated "I recognize that these turbulent economic times may cause our customers to be concerned about the safety of their deposits and our shareholders to worry about their investment. I, along with the Board of Directors and the other members of senior management, will continue to work tirelessly to ensure that First Bancorp of Indiana and First Federal Savings Bank remain on safe and sound financial footing."

First quarter earnings represented 27 cents per average outstanding share (diluted) compared to 10 cents for the quarter ended September 30, 2007. The company repurchased 50,327 shares of common stock during the intervening twelve months ended September 30, 2008, through announced stock repurchase programs, and 2,500 option shares were exercised. In addition, 39,800 shares were retired via the reverse stock split completed in May 2008. These transactions resulted in 1,744,888 shares outstanding at September 30, 2008. The Company paid a dividend of 15.5 cents during the most recent quarter, unchanged from the preceding quarter.

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 Information
(in thousands)

	<u>9/30/2008</u>	<u>6/30/2008</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	354,634	377,346
Investment securities	86,611	91,751
Loans receivable, net	222,875	226,474
Deposit accounts	221,702	244,053
Borrowings	95,655	95,655
Equity capital	30,161	31,575
	Three months	
	ended September 30,	
	2008	2007
<u>Selected Operating Data:</u>	<i>(unaudited)</i>	
Interest income	5,079	5,235
Interest expense	2,754	3,382
Net interest income	2,325	1,853
Provision for loan losses	250	80
Net interest income after provision	2,075	1,773
Noninterest income	622	490
Noninterest expense	2,078	2,033
Income before income taxes and cumulative effect of a change in accounting principle	619	230
Income taxes	161	41
Net income	458	189

For further information:

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