

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., January 14, 2009. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$429,000 for the quarter ended December 31, 2008, compared to net income of \$248,000 in the same quarter last year. Through the first six months of fiscal 2009 earnings improved to \$887,000 from \$436,000 for the same period the preceding fiscal year. The increased earnings were attributed largely to an improved net interest margin and fee income enhancements. Year-to-date earnings represented 52 cents per average outstanding share (diluted) compared to 24 cents for the six months ended December 31, 2007. The Company paid a dividend of 15.5 cents during the most recent quarter, unchanged from the preceding quarter.

The financial results through the first half of the fiscal year have boosted First Federal's Tier 1 capital ratio from 7.60% to approximately 8.21%. This ratio and the bank's other capital measurements continue to comfortably exceed all regulatory standards for "well-capitalized" financial institutions. Consequently, the Board of Directors, after careful deliberations with senior management, decided not to apply for the government assistance available through the Treasury Department's Capital Purchase Program, commonly referred to as the "bank bailout". Summing up the Board's position, President and CEO Michael Head stated "First Federal is dealing with the same credit quality issues facing all other financial institutions, both large and small. Nevertheless, thanks to our experienced and dedicated staff, I'm confident that First Federal will weather the current economic turmoil as it has all others in its 105 year history, without the need for taxpayer dollars."

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>Selected Balance Sheet Data:</u>	<u>12/31/2008</u> <i>(unaudited)</i>	<u>6/30/2008</u>
Total assets	359,757	377,346
Investment securities	86,842	91,751
Loans receivable, net	218,360	226,474
Deposit accounts	230,231	244,053
Borrowings	95,655	95,655
Equity capital	28,112	31,575

<u>Operating Results:</u>	Three months		Six months	
	ended December 31,		ended December 31,	
	2008	2007	2008	2007
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	4,974	5,268	10,053	10,503
Interest expense	2,564	3,342	5,318	6,724
Net interest income	2,410	1,926	4,735	3,779
Provision for loan losses	300	115	550	195
Net interest income after provision	2,110	1,811	4,185	3,584
Noninterest income	541	606	1,163	1,096
Noninterest expense	2,110	2,107	4,188	4,140
Income before income taxes	541	310	1,160	540
Income taxes	112	62	273	104
Net income	429	248	887	436

For further information:

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