

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., October 29, 2010. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$82,000 for the first fiscal quarter ended September 30, 2010, compared to net income of \$365,000 the preceding quarter and \$505,000 for the same quarter last year. The lower comparative earnings were largely attributed to impairment charges recorded on certain investment securities that reduced net income approximately \$320,000 for the quarter. The impairment charges, which totaled \$531,000 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. Furthermore, the impairment charges had no material effect on stockholders' equity which improved \$492,000 during the quarter. Consequently, tangible book value per share increased 30 cents to \$15.15. In addition, First Bancorp paid a dividend of 15.5 cents per outstanding share for the tenth consecutive quarter.

First Federal's tier one capital ratio has strengthened from 8.86% to approximately 9.15% over the past twelve months. This ratio and the bank's other capital measurements continue to comfortably exceed all regulatory standards for "well-capitalized" financial institutions.

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>Selected Balance Sheet Data:</u>	<u>9/30/2010</u>	<u>6/30/2010</u>
	<i>(unaudited)</i>	
Total assets	347,140	343,753
Investment securities	104,959	107,138
Loans receivable, net	163,240	170,722
Deposit accounts	212,261	211,645
Borrowings	95,155	95,155
Stockholders' equity	33,320	32,828

<u>Selected Operating Data:</u>	Three months ended September 30,	
	<u>2010</u>	<u>2009</u>
	<i>(unaudited)</i>	
Interest income	3,889	4,662
Interest expense	1,665	2,146
Net interest income	2,224	2,516
Provision for loan losses	150	300
Net interest income after provision	2,074	2,216
Noninterest income	266	657
Noninterest expense	2,375	2,232
Income before income taxes and cumulative effect of a change in accounting principle	-35	641
Income taxes	-117	136
Net income	82	505

For further information:

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