

## Company Press Release

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

EVANSVILLE, Ind., January 21, 2011. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$380,000 for the quarter ended December 31, 2010, compared to net income of \$350,000 in the same quarter last year. The quarter-over-quarter increase was attributed to greater noninterest revenues and a lesser need to provide for loan loss allowances. The Company recognized earnings of \$462,000 through the first six months of fiscal 2011, down from the \$855,000 for the same period in fiscal 2010. The lower comparative year-to-date earnings were due in large part to impairment charges recorded on certain investment securities that reduced net income approximately \$330,000. These charges, which totaled \$545,000 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. The impairment charges had no material effect on stockholders' equity as the year-to-date change was attributed to unrealized market value losses on securities available for sale and the 15.5 cents per share dividends that First Bancorp has paid in each of the past eleven quarters. Furthermore, First Federal's tier one capital ratio has strengthened from 9.0% to approximately 9.4% 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 Highlights**  
(in thousands)

	<u>12/31/2010</u>	<u>6/30/2010</u>
<b><u>Selected Balance Sheet Data:</u></b>	<i>(unaudited)</i>	
Total assets	341,690	343,753
Investment securities	117,244	107,138
Loans receivable, net	158,521	170,722
Deposit accounts	210,994	211,645
Borrowings	93,155	95,155
Stockholders' equity	32,181	32,828

	<b>Three months</b>		<b>Six months</b>	
	<b>ended December 31,</b>		<b>ended December 31,</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	3,606	4,463	7,495	9,126
Interest expense	1,579	1,982	3,244	4,129
Net interest income	2,027	2,481	4,251	4,997
Provision for loan losses	100	400	250	700
Net interest income after provision	1,927	2,081	4,001	4,297
Noninterest income	843	604	1,109	1,262
Noninterest expense	2,289	2,293	4,663	4,526
Income before income taxes and cumulative effect of a change in accounting principle	481	392	447	1,033
Income taxes	101	42	-15	178
Net income	380	350	462	855