

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., April 22, 2011. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$177,000 for the quarter ended March 31, 2011, compared to net income of \$172,000 in the same quarter last year. The Company recognized earnings of \$639,000 through the first nine months of fiscal 2011, down from the \$1.0 million for the same period in fiscal 2010. The lower comparative quarterly and year-to-date earnings were due largely to a loan portfolio contraction coupled with lower yields resulting from the prolonged low interest rate environment. Impairment charges recorded on certain investment securities reduced quarterly and year-to-date net income approximately \$103,000 and \$429,000, respectively. These charges, which 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 to its shareholders in each of the past twelve quarters. Furthermore, First Federal's tier one capital ratio has strengthened from 9.0% to approximately 9.4% over the past twelve months, well in excess of the 5% regulatory standard for "well-capitalized" financial institutions. The bank's other capital measurements also continue to comfortably exceed "well-capitalized" standards.

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>Selected Balance Sheet Data:</u>	<u>3/31/2011</u> <i>(unaudited)</i>	<u>6/30/2010</u>
Total assets	338,794	343,753
Investment securities	111,364	107,138
Loans receivable, net	152,799	170,722
Deposit accounts	217,282	211,645
Borrowings	83,155	95,155
Stockholders' equity	32,222	32,828

<u>Operating Results:</u>	<u>Three months</u> <u>ended March 31,</u>		<u>Nine months</u> <u>ended March 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,483	4,234	10,978	13,359
Interest expense	1,461	1,840	4,705	5,969
Net interest income	2,022	2,394	6,273	7,390
Provision for loan losses	150	345	400	1,045
Net interest income after provision	1,872	2,049	5,873	6,345
Noninterest income	613	260	1,722	1,522
Noninterest expense	2,338	2,250	7,002	6,776
Income before income taxes and cumulative effect of a change in accounting principle	147	59	593	1,091
Income taxes	-30	-113	-46	65
Net income	177	172	639	1,026