

Company Press Release

First Bancorp of Indiana, Inc. Announces Financial Results

EVANSVILLE, Ind., January 27, 2012. First Bancorp of Indiana, Inc., (OTCBB:FBPI), the holding company for First Federal Savings Bank, reported earnings of \$360,000 for the quarter ended December 31, 2011, compared to net income of \$380,000 in the same quarter last year. The quarter-over-quarter change was attributed in part to personnel expenses associated with an expansion of the business lending department. This investment partly offset an increase in net interest income associated with strong loan growth and lower funding costs. The Company recognized earnings of \$667,000 through the first six months of fiscal 2012, up from \$462,000 for the same period last year. The improved comparative year-to-date earnings were due largely to impairment charges on certain investment securities that reduced net income \$330,000 in the first half of fiscal 2011 compared to just \$21,000 so far this fiscal year. Such 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.

At approximately 8.6%, First Federal's tier one capital ratio was well in excess of the five percent regulatory standard for "well-capitalized" financial institutions. The bank's other capital measurements also continue to comfortably exceed "well-capitalized" standards. In addition, First Bancorp paid a dividend of 15.5 cents per outstanding share for the fifteenth consecutive 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 Highlights
(in thousands)

	<u>12/31/2011</u>	<u>6/30/2011</u>
<u>Selected Balance Sheet Data:</u>	<i>(unaudited)</i>	
Total assets	378,560	356,121
Investment securities	129,817	126,647
Loans receivable, net	165,044	150,019
Deposit accounts	264,120	234,949
Borrowings	73,155	83,155
Stockholders' equity	34,202	33,077

	Three months		Six months	
	ended December 31,		ended December 31,	
	2011	2010	2011	2010
<u>Operating Results:</u>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income	3,452	3,606	6,981	7,495
Interest expense	1,187	1,579	2,423	3,244
Net interest income	2,265	2,027	4,558	4,251
Provision for loan losses	100	100	250	250
Net interest income after provision	2,165	1,927	4,308	4,001
Noninterest income	896	843	1,621	1,109
Noninterest expense	2,648	2,289	5,181	4,663
Income before income taxes and cumulative effect of a change in accounting principle	413	481	748	447
Income taxes	53	101	81	-15
Net income	360	380	667	462