www.firstfedevansville.com

BOARD OF DIRECTORS

Harold Duncan	Chairman of the Board
Michael H. Head	President and CEO, First Federal Savings Bank
Timothy A. Flesch	President and CEO, St. Mary's Health System
E. Harvey "Skip" Seaman III	President and CEO, Product Acceptance & Research
David E. Gunn, CPA	President, Gunn Group, LLC
Daniel L. Schenk	Chancellor, Ivy Tech Community College
Jerome A. Ziemer	President, Ziemer Funeral Homes
Gregory L. Haag	President, Haag Heating & Air Conditioning, Inc.

EXECUTIVE MANAGEMENT

Officers of First Bancorp of Indiana, Inc.

Michael H. Head	President and CEO
Kirby W. King	Vice President
George J. Smith	Treasurer and CFO
Ruthanne Orth	Corporate Secretary

Officers of First Federal Savings Bank

Michael H. Head	President and CEO
Kirby W. King	Executive Vice President and COO
George J. Smith	Executive Vice President and CFO
Michael Griffin	Senior Vice President
Dale Holt	Senior Vice President
Julie R. List	Senior Vice President
Monica L. Stinchfield	Senior Vice President
Richard S. Witte	Senior Vice President
Ruthanne Orth	Vice President and Corporate Secretary
Rick Heldt	Vice President and Controller

General Counsel
Bamberger, Foreman,
Oswald & Hahn, LLP
20 NW 4th Street
Evansville, Indiana 47708

Securities Counsel
Kilpatrick Stockton LLP
Suite 900
607 14th Street, NW
Washington, DC 20005-2018

Independent Auditors
BKD LLP
400 Cross Pointe Blvd.
Evansville, Indiana 47715

Transfer Agent
Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Audited Financial Information

The audited financial statements will be available for viewing or printing at:
www.firstfedevansville.com

A copy may also be requested by writing to:
George J Smith, Treasurer and Chief Financial Officer,
First Bancorp of Indiana, Inc., P.O. Box 1111, Evansville, IN 47706-1111

BANK LOCATIONS

First Federal SAVINGS BANK

Corporate Headquarters
5001 Davis Lant Drive
(812) 492-8104

Franklin Street Office
2200 W. Franklin St.
(812) 492-8102

North Park Office
4451 N. First Ave.
(812) 492-8105

Newburgh Office
Highway 66 in Bell Oaks
(812) 492-8106

Bellemeade Office
4601 Bellemeade Ave.
(812) 492-8107

University West Office
4615 University Dr.
(812) 492-8108

St. Philip Office
2950 St. Philip Road South
(812) 492-8109

Home Building SAVINGS BANK

Petersburg Office
501 Main Street
(812) 354-8713

Washington Office
200 E. VanTrees Street
(812) 254-2641

First Bancorp OF INDIANA, INC.

Annual Report 2009

First Bancorp OF INDIANA, INC.

PRESIDENT'S MESSAGE

Fellow Stockholders:

The challenges that have gripped our economy for the last year seem to be loosening only marginally if at all. It seems that every Friday another bank is being closed somewhere in the country. Southern Indiana has not escaped the loss of jobs, property devaluation or companies closing. Although many economists see "green shoots" in various market segments as a reflection of the easing of the recession, most experts believe the recovery will be slow in formulating.

In response to the economic uncertainty caused by the collapse of the financial markets, the United States Congress is proposing various new agencies and laws in an effort to strengthen the financial climate and calm the public's fears. For many years the Federal Deposit Insurance Corporation (FDIC), which is a government agency funded by financial institution premiums, insured depositors against loss, up to $100,000, in the event a financial institution would fail. This past year Congress authorized the increase in deposit protection provided by the FDIC to $250,000.

So far this year 95 banks have failed, severely reducing the FDIC's insurance reserves. During fiscal 2009, the FDIC developed a multi-pronged approach to rebuild the Deposit Insurance Fund. First, it substantially raised our quarterly premiums and second, effective June 30, 2009, imposed a special assessment on banks covered by the fund. First Federal expensed $484,000 of FDIC premiums in fiscal 2009 compared to $28,000 in fiscal 2008. It now appears that the FDIC will require banks to prepay up to three years of premiums as a means to replenish its reserves. Other options still available to the FDIC include imposing another special assessment on banks and/or utilizing a line of credit from the Treasury Department that was approved by Congress.

The economic conditions during fiscal 2009 contributed to a deterioration of both personal and commercial credit quality in the banking industry, including southwestern Indiana. We have been working tirelessly with our distressed customers to achieve optimal resolutions. In addition, the Bank is committed to maintaining prudent loan loss reserves during this uncertain economic climate. To this end, the Bank recognized $1.8 million of provisions for loan losses in fiscal 2009, a $710,000 increase from the preceding fiscal year.

Over the past several years, the Bank has added new products to its personal and business lines in an effort to better meet the needs of its customers and increase efficiency in the operation of the Bank. These product enhancements are working and contributing to improved earnings as evidenced by net income of $1,355,000 for the twelve months ended June 30, 2009, a 68.5% increase over fiscal 2008. Consequently, earnings per share of $0.79 in fiscal 2009 compared favorably to the $0.45 achieved in fiscal 2008. While earnings for fiscal 2009 were not outstanding, they were solid considering the economic climate, the negative impact of the increased FDIC charges, and the increase in the provisions for loan losses.

For the year ended June 30, 2009, the Company increased its net interest rate margin to 2.88%, a 21 percent increase from fiscal 2008. At fiscal year end, the Bank's tangible and core capital was 8.40% as compared to 7.60% at June 30, 2008, and the Bank's risk-based capital was 12.79% at fiscal year end 2009 compared to 11.99% at fiscal year end 2008. These capital ratios comfortably exceeded all minimum regulatory requirements and qualified First Federal Savings Bank as "well-capitalized" under regulatory guidelines.

Management will remain focused on investigating ways to improve corporate efficiencies and profitability during these uncertain economic times while at the same time providing the services our individual and commercial customers need. I thank you for your investment in First Bancorp of Indiana, Inc.

Mike

Michael H. Head
President and CEO
First Bancorp of Indiana, Inc.

First Bancorp OF INDIANA, INC.

2009 FINANCIAL HIGHLIGHTS
SELECTED FINANCIAL DATA

AT OR FOR THE YEAR ENDED	June 30, 2009	June 30, 2008	June 30, 2007
SELECTED BALANCE SHEET DATA			
($ Thousands)			
Total Assets	$358,647	$377,346	$362,992
Other investment securities	50,110	38,730	44,602
Mortgage-backed securities	41,389	53,021	35,496
Loans reveivable, net	204,252	226,474	233,237
Deposits	228,748	244,053	251,234
Borrowings	95,655	95,655	72,496
Stockholders' Equity	28,949	31,575	34,218
SELECTED INCOME STATEMENT DATA			
($ Thousands)			
Interest income	$19,360	$20,954	$19,295
Interest expense	9,881	12,928	11,948
Net interest income	9,479	8,026	7,347
Provision for loan losses	1,800	1,090	400
Noninterest income	2,781	2,249	2,008
Noninterest expense	8,926	8,274	8,377
Income before income taxes	1,534	911	578
Provision for income taxes	179	107	60
Net Income	$1,355	$804	$518
PERFORMANCE RATIOS			
Return on average assets	0.37%	0.22%	0.15%
Return on average equity	4.60	2.36	1.59
Net interest margin	2.88	2.39	2.35
Average interest-earning assets to average interest-bearing liabilities	103.98	105.17	106.50
Earnings per share, fully-diluted	$0.79	$0.45	$0.30
ASSET QUALITY RATIOS			
Nonperforming loans to total loans	0.98%	0.59%	0.14%
Nonperforming assets to total assets	1.46	0.43	0.10
Allowance for loan losses to total loans	0.84	0.68	0.45
Allowance for loan losses to nonperforming loans	85.67	114.44	326.69
CAPTIAL RATIOS			
Average equity to average assets	8.08%	9.19%	9.47%
Equity to total assets	8.07	8.37	9.43
Tangible and core capital (bank only)	8.40	7.60	7.23
Risk-based capital (bank only)	12.79	11.99	10.81
SHAREHOLDER DATA			
Weighted average shares outstanding: (for the year ended)			
Basic	1,713,038	1,773,224	1,708,422
Diluted	1,713,497	1,784,376	1,738,032
Outstanding shares (issued less treasury shares) at June 30	1,742,452	1,747,888	1,840,901