



FOR IMMEDIATE RELEASE  
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FOR ADDITIONAL INFORMATION  
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**NORTHEAST INDIANA BANCORP, INC.  
ANNOUNCES SUBSTANTIAL INCREASE IN FIRST QUARTER EARNINGS**

**HUNTINGTON, INDIANA, --** Northeast Indiana Bancorp, Inc., (OTC Bulletin Board: NIDB), the parent company of First Federal Savings Bank, has announced net income of \$533,000 (\$0.43 per diluted common share) for the first quarter ended March 31, 2009, an increase of \$175,000 or 48.9% compared to \$358,000 (\$0.27 per diluted common share) for the first quarter ended March 31, 2008. The current three months earnings equates to an annualized return on average assets (ROA) of 0.84% and a return on average equity (ROE) of 9.72% as compared to an ROA of 0.59% and an ROE of 6.23% for the three months ended March 31, 2008.

Net interest income increased \$544,000 or 37.3% to \$2.0 million for the quarter ended March 31, 2009 when compared to \$1.5 million for the quarter ended March 31, 2008. The increase was related to both rates decreasing faster on interest bearing liabilities than on interest earning assets as well as increases in interest earning asset balances between periods. The Company's net interest margin increased significantly to 3.37% for the current quarter compared to 2.58% for the year earlier quarter. Sequentially, the current quarter's 3.37% net interest margin was also a thirty-four basis point improvement over the quarter ended December 31, 2008 net interest margin of 3.03%.

The Company made a \$275,000 provision for loan loss during the quarter ended March 31, 2009 compared to a \$90,000 provision for loan loss for the quarter ended March 31, 2008. Net charge-offs were \$139,000 for the quarter ended March 31, 2009 compared to net charge-offs of \$44,000 for the quarter ended March 31, 2008. Non performing assets increased slightly to \$4.6 million at March 31, 2008 when compared to \$4.0 million at December 31, 2008.

Noninterest income increased by \$48,000 to \$573,000 for the current period compared to \$525,000 during the year earlier period. First Federal processed record quarterly refinancing volumes which led to a substantial increase in net gains on the sale of loans of \$184,000 between quarterly periods. This increase was partially offset by an increase in losses on the sale of repossessed assets of \$74,000 and declines in brokerage fees of \$36,000 between the current quarterly period and the prior year quarterly period.

Noninterest expense increased \$66,000 to \$1.5 million for the quarter ended March 31, 2009 compared to \$1.4 million for the quarter ended March 31, 2008. This increase came primarily in increased FDIC premiums, data processing, and professional fees. These increases were partially offset by decreases to salaries and employee benefits between quarterly periods.

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Net loans receivable decreased \$3.1 million to \$201.1 million at March 31, 2009 when compared to \$204.2 million at December 31, 2008. Total deposits increased by \$2.2 million to \$157.9 million at March 31, 2009 compared to \$155.7 million at December 31, 2008. Borrowed funds declined to \$67.5 million at March 31, 2009 from \$80.0 million at December 31, 2008 due to decreases in repurchase agreement account balances and FHLB advances during the current quarter.

Shareholders' equity increased to \$22.0 million at March 31, 2009 compared to \$21.8 million at December 31, 2008. The book value of NIDB's stock was \$17.86 per common share as of March 31, 2009. The number of outstanding common shares was 1,230,670. The last reported trade of the stock on April 09, 2009 was \$7.50 per common share.

During the quarter ended March 31, 2009, Northeast Indiana Bancorp, Inc. also announced the Company will not participate in the U.S. Treasury Department's Troubled Asset Relief Program ("TARP"). After a review of the subsidiary bank's operations and financial condition by the bank's primary federal regulator, the Company had received preliminary approval from the U.S. Treasury Department for the placement of \$5.5 million in senior preferred stock. The board of directors elected to not participate in the TARP program after careful consideration of the subsidiary bank's Risk-Based Capital as well as core profitability. First Federal's Risk-Based Capital ratio continues to exceed "well capitalized" thresholds defined under existing bank regulations.

Northeast Indiana Bancorp, Inc. is headquartered at 648 North Jefferson Street, Huntington, Indiana. The company offers a full array of banking and financial brokerage services to its customers through three full service branches located in Huntington, Indiana and one full service branch located in Warsaw, Indiana. The Company announced during the quarter ended March 31, 2009 that it will build a full service branch in Fort Wayne, Indiana. That branch is currently under construction with an anticipated completion date during the third quarter of 2009. The Company is traded on the Over the Counter Bulletin Board ("OTCBB") under the symbol "NIDB".

This press release may contain forward-looking statements, which are based on management's current expectations regarding economic, legislative and regulatory issues. Factors which may cause future results to vary materially include, but are not limited to, general economic conditions, changes in interest rates, loan demand, and competition. Additional factors include changes in accounting principles, policies or guidelines; changes in legislation or regulation; and other economic, competitive, regulatory and technological factors affecting each company's operations, pricing, products and services.

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**NORTHEAST INDIANA BANCORP**  
**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**CONSOLIDATED STATEMENT OF FINANCIAL CONDITION**

<i>ASSETS</i>	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Interest-earning cash and cash equivalents	\$ 1,624,983	\$ 6,122,439
Noninterest earning cash and cash equivalents	2,664,847	2,284,062
Total cash and cash equivalents	4,289,830	8,406,501
Securities available for sale	30,073,970	33,022,602
Securities held to maturity	550,000	550,000
Loans held for sale	453,150	709,400
Loans receivable, net of allowance for loan loss March 31, 2009 \$1,886,191 and December 31, 2008 \$1,750,605	201,128,429	204,171,179
Accrued interest receivable	1,027,532	1,070,708
Premises and equipment	2,143,717	2,178,416
Investments in limited liability partnerships	426,120	462,279
Cash surrender value of life insurance	6,319,665	6,253,417
Other assets	3,282,556	3,415,020
<b>Total Assets</b>	<b>\$ 249,694,969</b>	<b>\$ 260,239,522</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Non-interest bearing deposits	9,820,947	19,873,896
Interest bearing deposits	148,103,508	135,824,869
Borrowed Funds	67,487,931	79,982,575
Accrued interest payable and other liabilities	2,299,961	2,782,849
<b>Total Liabilities</b>	<b>227,712,347</b>	<b>238,464,189</b>
Retained earnings - substantially restricted	21,982,622	21,775,333
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 249,694,969</b>	<b>\$ 260,239,522</b>

**CONSOLIDATED STATEMENTS OF INCOME**

	Three Months Ended March 31,	
	<u>2009</u>	<u>2008</u>
Total interest income	\$ 3,561,779	\$ 3,578,407
Total interest expense	1,558,179	2,119,194
Net interest income	\$ 2,003,600	\$ 1,459,213
Provision for loan losses	275,000	90,000
Net interest income after provision for loan losses	\$ 1,728,600	\$ 1,369,213
<i>Service charges on deposit accounts</i>	153,769	162,195
<i>Net gain on sale of loans</i>	223,658	39,687
<i>Net gain (loss) on sale of securities</i>	(1,592)	11,777
<i>Net gain (loss) on sale of repossessed assets</i>	(76,912)	(2,838)
<i>Brokerage fees</i>	76,620	113,030
<i>Increase in cash surrender value of life insurance</i>	66,249	62,956
<i>Other income</i>	130,774	137,981
<b>Total noninterest income</b>	<b>\$ 572,566</b>	<b>\$ 524,788</b>
<i>Salaries and employee benefits</i>	738,296	779,650
<i>Occupancy</i>	202,953	190,492
<i>Data processing</i>	191,025	167,040
<i>Deposit insurance premiums</i>	54,000	3,829
<i>Professional fees</i>	62,797	49,222
<i>Correspondent bank charges</i>	31,088	35,976
<i>Other expense</i>	223,633	211,774
<b>Total noninterest expenses</b>	<b>\$ 1,503,792</b>	<b>\$ 1,437,983</b>
Income before income tax expenses	\$ 797,374	\$ 456,018
Income tax expense	264,676	98,111
<b>Net Income</b>	<b>\$ 532,698</b>	<b>\$ 357,907</b>

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	Three Months Ended	
	March 31,	
	<u>2009</u>	<u>2008</u>
Basic Earnings per common share	0.43	0.27
Dilutive Earnings per share	0.43	0.27
Net interest margin	3.37%	2.58%
Return on average assets	0.84%	0.59%
Return on average equity	9.72%	6.23%
Efficiency ratio	58.37%	72.48%
Average shares outstanding- primary	1,227,711	1,307,812
Average shares outstanding- diluted	1,227,944	1,308,045

Allowance for loan losses:			
Balance at beginning of period	\$	1,750,605	\$ 2,712,378
Charge-offs:			
One-to-four family		54,958	-
Commercial real estate		-	-
Commercial		-	184,722
Consumer		95,499	7,044
Gross charge-offs		<u>150,457</u>	<u>191,766</u>
Recoveries:			
One-to-four family		370	-
Commercial real estate		-	-
Commercial		-	132,564
Consumer		10,673	14,839
Gross recoveries		<u>11,043</u>	<u>147,403</u>
Net charge-offs		<u>139,414</u>	<u>44,363</u>
Additions charged to operations		275,000	90,000
Balance at end of period	\$	<u>1,886,191</u>	\$ <u>2,758,015</u>
Net loan charge-offs to average loans (1)		0.27%	0.09%

	At March 31,		At December 31,	
	<u>2009</u>		<u>2008</u>	
Nonperforming assets (000's)				
Loans:				
Non-accrual	\$	3,277	\$	2,566
Past 90 days or more and still accruing		-		-
Troubled debt restructured		-		-
Total nonperforming loans		<u>3,277</u>		<u>2,566</u>
Real estate owned		1,332		1,423
Other repossessed assets		1		8
Total nonperforming assets	\$	<u>4,610</u>	\$	<u>3,997</u>
Nonperforming assets to total assets		1.85%		1.56%
Nonperforming loans to total loans		1.61%		1.25%
Allowance for loan losses to nonperforming loans		57.55%		68.24%
Allowance for loan losses to net loans receivable		0.93%		0.85%

	At March 31,	
	<u>2009</u>	<u>2008</u>
Stockholders' equity as a % of total assets	8.80%	9.57%
Book value per share	\$ 17.86	\$ 17.90
Common shares outstanding- EOP	1,230,670	1,311,417

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(1) Ratios for the three-month periods are annualized.

