



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

HUNTINGTON, INDIANA, -- Northeast Indiana Bancorp, Inc., (OTC Bulletin Board: NIDB), the parent company of First Federal Savings Bank, has announced a net loss of (\$14,000) (\$0.01 per diluted common share) for the first quarter ended March 31, 2011 compared to net income of \$452,000 (\$0.37 per diluted common share) for the first quarter ended March 31, 2010. The reduction in net income is solely due to a significant increase in provision for loan losses between the two quarterly periods as discussed below.

Commenting on the financial results, First Federal Savings Bank CEO Michael S. Zahn stated, "With the economic recovery slower than expected, we felt it was prudent to bolster our allowance for loan losses this quarter."

Net interest income was \$2.1 million for the quarter ended March 31, 2011 compared to \$2.0 million for the quarter ended March 31, 2010. The Company's net interest margin increased slightly to 3.58% for the current quarter compared to 3.48% for the year earlier quarter.

The Company made a \$1.2 million provision for loan loss during the quarter ended March 31, 2011 compared to a \$350,000 provision for loan loss for the quarter ended March 31, 2010. Management elected to take the higher provision levels after considering the higher quarterly net charge-offs and in light of continued weakness in the real estate markets in which we do business. Net charge-offs were \$737,000 for the quarter ended March 31, 2011 compared to net charge-offs of \$428,000 for the quarter ended March 31, 2010. Nonperforming assets increased to \$10.2 million at March 31, 2011 when compared to \$8.6 million at December 31, 2010.

Noninterest income decreased by \$15,000 to \$474,000 for the current period compared to \$489,000 during the year earlier period. The reduction is due to a reduction in service charges on deposit accounts, an increase in net losses on sale of repossessed assets and a decline in brokerage fees. This decrease was partially offset by a reduction in losses on the sale of securities of \$34,000 and an increase in net gains on sale of loans of \$31,000 between the current quarterly period and the prior year quarterly period.

Noninterest expense was relatively unchanged at \$1.6 million for both the quarter ended March 31, 2011 as well as for the quarter ended March 31, 2010.

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Net loans receivable decreased \$3.2 million to \$179.7 million at March 31, 2011 when compared to \$182.9 million at December 31, 2010. Total deposits increased sharply by \$11.7 million or 6.6% to \$188.1 million at March 31, 2011 compared to \$176.4 million at December 31, 2010. The significant increase in deposits came in retail NOW, MMDA and Savings balances through First Federal's full service branches. These newly acquired retail deposits were utilized to pay off maturing wholesale borrowed funds. Borrowed funds declined \$12.6 million or 23.5% to \$41.0 million at March 31, 2011 compared to \$53.6 million at December 31, 2010.

Shareholders' equity was relatively unchanged at \$24.1 million at both March 31, 2011 as well as at December 31, 2010. The book value of NIDB's stock was \$19.48 per common share as of March 31, 2011. The number of outstanding common shares was 1,239,946. The last reported trade of the stock on April 29, 2011 was \$12.95 per common share.

Northeast Indiana Bancorp, Inc. is headquartered at 648 N. Jefferson Street, Huntington, Indiana. The company offers a full array of banking and financial brokerage services to its customers through its main office in Huntington and four full-service Indiana offices in Huntington (2), Warsaw and Fort Wayne. The Company is traded on the Over the Counter Bulletin Board under the symbol "NIDB". Our web site address is www.firstfedindiana.com.

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>2011</u>	<u>December 31,</u> <u>2010</u>
Interest-earning cash and cash equivalents	\$ 7,678,932	\$ 9,450,979
Noninterest earning cash and cash equivalents	1,884,221	2,045,215
Total cash and cash equivalents	9,563,153	11,496,194
Securities available for sale	50,361,668	46,477,692
Securities held to maturity	240,000	400,000
Loans held for sale	38,000	353,642
Loans receivable, net of allowance for loan loss March 31, 2011 \$3,690,382 and December 31, 2010 \$3,227,844	179,702,430	182,913,386
Accrued interest receivable	1,031,109	981,357
Premises and equipment	2,504,363	2,554,170
Investments in limited liability partnerships	213,204	233,001
Cash surrender value of life insurance	6,830,081	6,765,215
Other assets	5,088,782	3,926,783
Total Assets	\$ 255,572,790	\$ 256,101,440
LIABILITIES AND STOCKHOLDERS' EQUITY		
Non-interest bearing deposits	12,364,436	14,301,482
Interest bearing deposits	175,700,785	162,099,970
Borrowed Funds	41,006,821	53,565,973
Accrued interest payable and other liabilities	2,343,609	1,998,866
Total Liabilities	231,415,651	231,966,291
Retained earnings – substantially restricted	24,157,139	24,135,149
Total Liabilities and Shareholders' Equity	\$ 255,572,790	\$ 256,101,440

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31,	
	<u>2011</u>	<u>2010</u>
Total interest income	\$ 3,029,647	\$ 3,207,663
Total interest expense	884,363	1,176,827
Net interest income	\$ 2,145,284	\$ 2,030,836
Provision for loan losses	1,200,000	350,000
Net interest income after provision for loan losses	\$ 945,284	\$ 1,680,836
<i>Service charges on deposit accounts</i>	135,681	165,447
<i>Net gain on sale of loans</i>	61,812	30,844
<i>Net gain (loss) on sale of securities</i>	-	(34,201)
<i>Net gain (loss) on sale of repossessed assets</i>	(50,126)	(15,766)
<i>Brokerage fees</i>	96,555	110,875
<i>Increase in cash surrender value of life insurance</i>	64,866	63,319
<i>Other income</i>	165,056	167,984
Total noninterest income	\$ 473,844	\$ 488,502
<i>Salaries and employee benefits</i>	849,760	839,797
<i>Occupancy</i>	225,769	204,352
<i>Data processing</i>	194,636	190,348
<i>Deposit insurance premiums</i>	84,000	71,400
<i>Professional fees</i>	77,198	62,538
<i>Correspondent bank charges</i>	32,351	28,895
<i>Other expense</i>	179,235	194,283
Total noninterest expenses	\$ 1,642,949	\$ 1,591,613
Income/(loss) before income tax expenses	\$ (223,821)	\$ 577,725
Income tax expense/(benefit)	(209,659)	125,437
Net Income/(loss)	\$ (14,162)	\$ 452,288

NORTHEAST INDIANA BANCORP
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

	Three Months Ended March 31,	
	<u>2011</u>	<u>2010</u>
Basic Earnings per common share	(.01)	0.37
Dilutive Earnings per share	(.01)	0.37
Net interest margin	3.58%	3.48%
Return on average assets	(.02%)	0.72%
Return on average equity	(.23%)	7.84%
Efficiency ratio	62.73%	63.18%
Average shares outstanding- primary	1,231,160	1,235,605
Average shares outstanding- diluted	1,231,778	1,235,672

Allowance for loan losses:		
Balance at beginning of period	\$ 3,227,844	\$ 2,868,468
Charge-offs:		
One-to-four family	330,453	92,067
Commercial real estate	-	37,065
Land/land development	284,961	-
Commercial	46,588	309,726
Consumer	82,854	370
Gross charge-offs	<u>744,856</u>	<u>439,228</u>
Recoveries:		
One-to-four family	800	975
Commercial real estate	-	-
Land/land development	-	-
Commercial	-	-
Consumer	6,594	10,186
Gross recoveries	<u>7,394</u>	<u>11,161</u>
Net charge-offs	737,462	428,067
Additions charged to operations	1,200,000	350,000
Balance at end of period	<u>\$ 3,690,382</u>	<u>\$ 2,790,401</u>
Net loan charge-offs to average loans (1)	1.58%	0.87%

	At March 31, <u>2011</u>	At December 31, <u>2010</u>
Nonperforming assets (000's)		
Loans:		
Non-accrual	\$ 5,908	\$ 7,275
Past 90 days or more and still accruing	-	-
Troubled debt restructured	2,611	737
Total nonperforming loans	<u>8,520</u>	<u>8,012</u>
Real estate owned	1,694	594
Other repossessed assets	1	-
Total nonperforming assets	<u>\$ 10,215</u>	<u>\$ 8,606</u>
Nonperforming assets to total assets	3.99%	3.36%
Nonperforming loans to total loans	4.65%	4.30%
Allowance for loan losses to nonperforming loans	43.32%	40.29%
Allowance for loan losses to net loans receivable	2.05%	1.76%

	At March 31,	
	<u>2011</u>	<u>2010</u>
Stockholders' equity as a % of total assets	9.45%	9.26%
Book value per share	\$ 19.48	\$ 18.83
Common shares outstanding- EOP	1,239,946	1,239,946

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

