

Blue River Bancshares, Inc. announces Dividend and 1st Quarter Earnings (Unaudited)

April 27, 2010

Blue River Bancshares, Inc. (OTC BB: BRBI.OB) today announced that a quarterly dividend of \$.01 per share was declared by the Board of Directors, payable June 1, 2010, to the shareholders of record as of the close of business on May 15, 2010.

In addition, Blue River reported a consolidated net loss of \$59,000 for the quarter ended March 31, 2010 and net loss to common shareholders of \$140,000. This net loss compares to consolidated net income to common shareholders of \$37,000 for the same period of 2009. Fully diluted loss per share was \$.05 for the quarter ended March 31, 2010, compared to earnings of \$.01 per share for the same period of 2009. Weighted average outstanding shares (fully diluted) were 2,999,149 as of March 31, 2010, compared to 2,999,816 shares at the end of the same quarter of 2009.

The net loss to common shareholders of \$140,000 for the quarter ended March 31, 2010 was primarily the result of \$427,000 of provision to the allowance for loan losses. The increased provision was the result of the Company's prudent decision to strengthen the allowance for loan losses due to the increased number of impaired loans charged off or charged down and to strengthen additional reserves for specific loans.

Net interest income before loan loss provision for the three months ended March 31, 2010 was \$1,699,000 as compared to \$1,635,000 for the same period of 2009.

The loan loss provision was \$427,000 for the three months ended March 31, 2010 versus \$137,000 for the quarter ended March 31, 2009. During the first quarter 2010, our non-performing assets, which includes other real estate owned properties, increased by approximately \$350,000 from fourth quarter 2009 levels. Please see the following table:

	Quarter Ended <u>3/31/2010</u>	Quarter Ended <u>12/31/2009</u>	Quarter Ended <u>3/31/2009</u>
Non-Performing Assets			
Non-performing loans 90+ days	\$ 2,844,958	\$ 1,104,307	\$ 5,104,462
Non-accrual loans	5,940,162	7,279,733	2,787,111
less specific reserves for non-accrual loans	(928,690)	(681,978)	-
Troubled Debt Restructured	3,051,560	3,051,560	525,854
less specific reserves for TDR's	(147,320)	(102,543)	-
Other real estate	1,677,014	1,436,857	1,455,645
Other repossessed assets	11,400	11,400	40,800
	<u>\$ 12,449,084</u>	<u>\$ 12,099,336</u>	<u>\$ 9,913,872</u>

For the quarter ended March 31, 2010, non-interest income was \$367,000 as compared to \$96,000 for the quarter ended March 31, 2009. This quarter was positively impacted by an

increase of our secondary market mortgage fees of \$254,000 as a result of the addition of the mortgage origination division during the fourth quarter of 2009.

Non-interest expense increased to \$1,785,000 for the quarter ended March 31, 2010 from \$1,480,000 for the same period of 2009. The increase in 2010 can be primarily attributed to increased FDIC insurance premiums of \$102,000 and increases in salaries, benefits and loan costs associated with the addition of the mortgage origination division, W.R. Clouse and Associates, Inc. (“Clouse and Associates”).

Russell Breeden III, Chairman, CEO and President of Blue River commented, “We are continuing to achieve improvement with our nonperforming loans. Positive activity seems to be occurring in each category. Approximately 20% of our first quarter reserves can be attributed to two commercial relationships, which have large real estate components. The largest single category of loan problems resides in our HELOC portfolio. As a result of our increased personal contact with these borrowers, we are identifying the issues earlier than we did in 2008 and 2009. We believe this additional personal contact will mitigate loss, since we have the opportunity to provide more alternatives to our borrowers, if we identify their issues before they have progressed into a severely delinquent status.”

Mr. Breeden also stated, “During the first quarter SCB Bank reported no increase in OTTI for the investment portfolio. In the current environment the spread between our investment rate and our cost of funds is not as large as it has been in the past, so our opportunity to reinvest idle cash is not as attractive as we experienced in 2008 and 2009. However, increasing our investment portfolio is not quite as important to us as it was during the last two years, since we have added Clouse and Associates to provide mortgage origination in Central Indiana. The mortgage origination business has increased our fee income and our loans held for resale.”

“On another positive note, SCB Bank is pleased to have been nominated by the local SBA office in Indianapolis for consideration as the National/Rural SBA Lender of the Year. This is a wonderful accomplishment and reflects our increasingly active role in SBA loans. Our SBA loans outstanding as of March 31, 2010 were \$4,838,000 and include participation in all four of the SBA’s primary programs; 504, 7(A), Express and ARC loans.”

Blue River Bancshares, Inc. is the holding company for SCB Bank which does business in the Shelbyville, Indiana market under the name of Shelby County Bank, a division of SCB Bank.

Certain matters in this news release constitute forward-looking statements. Forward-looking statements can be identified by the fact that they include words like "believe," "expect," "anticipate," "estimate," and "intend," or future or conditional verbs such as "will," "would," "should," "could," or "may". These forward-looking statements relate to, among other things, expectations of the business environment in which Blue River operates, projections of future performance, perceived opportunities in the market and potential future credit experience.

These forward-looking statements are based upon the current beliefs and expectations of Blue River's management and are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are outside of Blue River's control. Blue River's actual results, performance, or achievements may differ materially from those suggested, expressed, or implied by forward-looking statements due to a wide range of factors, including, but not limited to, the general business environment, interest rates, the economy, competitive conditions between banks and non-bank financial services providers, regulatory changes, other factors that may be subject to circumstances beyond Blue River's control.

Blue River undertakes no obligation to revise these statements following the date of this press release.

*CONSOLIDATED FINANCIAL HIGHLIGHTS
(UNAUDITED)*

QUARTERS ENDED MARCH 31

	<u>2010</u>	<u>2009</u>
<i>GROSS LOANS</i>	\$178,277,000	\$177,515,000
<i>TOTAL ASSETS</i>	\$263,664,000	\$251,107,000
<i>DEPOSITS</i>	\$217,476,000	\$198,148,000
<i>COMMON SHAREHOLDERS' EQUITY</i>	\$ 11,127,000	\$ 10,639,000
<i>BOOK VALUE PER COMMON SHARE</i>	\$3.71	\$3.55
<i>NET INTEREST INCOME</i>	\$ 1,699,000	\$ 1,635,000
<i>PROVISION FOR LOAN LOSSES</i>	\$ 427,000	\$ 137,000
<i>NON INTEREST INCOME</i>	\$ 367,000	\$ 96,000
<i>NON INTEREST EXPENSE</i>	\$ 1,785,000	\$ 1,480,000
<i>INCOME TAX EXPENSE (BENEFIT)</i>	\$ (87,000)	\$ 45,000
<i>NET INCOME (LOSS)</i>	\$ (59,000)	\$ 69,000
<i>NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS</i>	\$ (140,000)	\$ 37,000
<i>BASIC & DILUTIVE EARNINGS (LOSS) PER SHARE</i>	\$ (.05)	\$.01

