



**FOR IMMEDIATE RELEASE
JUNE 30, 2006**

INDIANA BUSINESS BANK FORMS HOLDING COMPANY

*New Structure to Optimize Growth Options;
New Ticker Symbol Established;
Small Business Administration Confers 'Preferred Lender' Status*

Indianapolis, IN, June 30, 2006 – Indiana Business Bank (OTC BB:IBBK) announced today that its plan to reorganize its operations into a holding company structure will become effective on July 1, 2006. The new holding company will be called Indiana Business Bancorp and its shares will begin trading on the OTC Bulletin Board under the symbol [IBBI](#) effective Monday, July 3.

“This change in our structure optimizes our growth options,” said James Young, Chief Executive Officer. “We’ll now have greater flexibility in expanding the Bank’s business through the acquisition of other financial institutions, raising additional capital through borrowing, repurchasing its securities, and acquiring or establishing other related businesses.”

Under the reorganization plan, each issued and outstanding Bank common stock will be automatically converted into one share of Bancorp common stock. Shareholders of the Bank may, but are not required to, exchange their certificates representing shares of Bank common stock for Bancorp certificates.

“This is a natural evolution in our growth and reflects the success of the Bank since its formation just a year and a half ago,” Young said. “We’ve also been granted ‘Preferred Lender’ Status by the U.S. Small Business Administration, which we view as yet another indication of our continued success. This status places us on the same competitive footing with the largest institutions operating in the Central Indiana market, and will leverage the competitive advantages of our seasoned banking professionals in delivering customized banking solutions to Central Indiana small businesses.”

The Bank's 2005 Annual Report to Shareholders, including audited financial statements, is available on its website at <http://www.indianabusinessbank.com>. Detailed financial information about the Bank is released on a quarterly basis in the form of the Federal Deposit Insurance Call Reports that are posted on the FDIC's website at <http://www.fdic.gov>. Beginning with results for the quarter ended June 30, 2006, the Bank will begin posting its Call Reports on its website.

About Indiana Business Bancorp and Indiana Business Bank

Indiana Business Bancorp is a bank holding company whose operations are conducted through its subsidiary, Indiana Business Bank, a state-chartered, locally-owned and managed commercial bank formed for the purpose of providing highly-personalized banking services for small to medium-sized businesses, their owners and professional services firms in the Indianapolis, Indiana metropolitan area. The Bank provides a full line of commercial banking loan, deposit, and cash management services that are delivered in a highly personalized manner by experienced banking professionals. The Bank specializes in serving the commercial and consumer banking needs of small to medium sized businesses and their owners, and professionals located primarily throughout Central Indiana.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Indiana Business Bank and Indiana Business Bancorp's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties which may cause actual results to differ materially from expected results, including: general, regional and local economic conditions and their effect on interest rates; competition among banks and other financial intermediaries within the Indianapolis metropolitan market; risks that borrowers may default on their loans; and changes in regulations and accounting policies affecting financial institutions.

FOR FURTHER INFORMATION:

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