



FOR IMMEDIATE RELEASE
August 7, 2006

INDIANA BUSINESS BANK REPORTS SECOND QUARTER OPERATING RESULTS

Indianapolis, IN, August 7, 2006 – Indiana Business Bancorp (OTC BB:IBBI.OB) (the "Company") today announced results of its wholly owned subsidiary, Indiana Business Bank (the "Bank"), for the three months ended June 30, 2006. The Bank began operations in late 2004 and restructured its form of organization as a wholly-owned subsidiary of the Company effective July 1, 2006.

The Bank's net loss for the quarter was \$121,439. This compares to a loss of \$380,683 for the same period in 2005.

During the second quarter of 2006, the Bank earned \$450,725 in net interest income, primarily as a result of increasing loan outstandings and a growing investment portfolio. Non-interest income (comprised of service charges on deposits and other fee income) totaled \$21,875 for the quarter ended June 30, 2006.

Non-interest expenses (generally, salaries and other operating expenses) were \$594,039 for the three months ended June 30, 2006. On a per share basis, the loss for the three months ended June 30, 2006 was approximately (\$.08) per basic share versus a loss of approximately (\$.26) per basic share for the same period in 2005.

The Bank's assets increased by 30% in the first half of 2006 from \$36,240,944 at year end 2005 to \$46,958,920 at June 30, 2006. Core deposits fueled asset growth as the Bank's client base of primarily small businesses continued to grow. At June 30, 2006 gross loans totaled \$33,911,859 up from \$24,641,362 at December 31, 2005. Deposits totaled \$36,079,664 at June 30, 2006, up from \$24,763,226 at the end of 2005. The Bank's capital ratios exceeded regulatory guidelines for "well-capitalized" institutions at June 30, 2006.

President & CEO, James S. Young stated "We continue to be pleased with our performance since first opening our doors less than two years ago. We feel well positioned to finish 2006 strongly and we look forward to reporting our first quarterly profits".

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 Indian 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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	As of and for the Three Months Ending June 30, 2006		As of and for the Six Months Ending June 30, 2006	
	2006	2005	2006	2005
Operating Data				
Net Interest Income	450,725	140,667	767,729	152,278
Provision for Loan Losses	52,767	60,291	138,794	134,630
Noninterest Income	21,875	2,389	36,751	3,713
Noninterest Expense	594,039	523,739	1,168,049	1,015,861
Net Income (Loss)	(121,439)	(380,683)	(363,569)	(859,870)
Per Share Data				
Net Earnings (Loss) – Basic	\$ (0.08)	\$ (0.26)	\$ (0.24)	\$ (0.58)
Net Earnings (Loss) - Diluted	\$ (0.08)	\$ (0.25)	\$ (0.24)	\$ (0.57)
Weighted Average Shares Outstanding				
Basic	1,484,100	1,484,100	1,484,100	1,484,100
Diluted	1,484,100	1,503,333	1,484,100	1,503,333

Balance Sheet Data	As of		
	June 30, 2006	December 31, 2005	June 30, 2005
Total Assets	\$46,958,920	\$36,240,994	\$ 23,465,423
Total Loans	33,911,859	24,641,362	9,552,221
Allowance for Loan Losses (ALLL)	508,414	369,620	143,283
Investment Securities	12,019,173	9,904,499	12,940,700
Total Deposits	36,079,664	24,763,226	11,751,531
Total Shareholders' Equity	10,752,240	11,082,129	11,659,491