



FOR IMMEDIATE RELEASE
November 6, 2006

INDIANA BUSINESS BANCORP REPORTS THIRD QUARTER OPERATING RESULTS

Indianapolis, IN, November 6, 2006 – Indiana Business Bancorp (OTC BB:IBBI.OB) (the "Company"), the holding company for Indiana Business Bank (the "Bank"), announced results for the three months ended September 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 net loss for the quarter was \$168,427. This compares to a loss of \$288,996 for the same period in 2005.

Net interest income for the third quarter of 2006 was \$529,076, a 90% increase from the third quarter of 2005. The increase is attributable to growth in the loan and investment portfolios. Non-interest income (comprised of service charges on deposits and other fee income) totaled \$13,228 for the quarter ended September 30, 2006, a 36% increase from the same quarter a year ago.

Non-interest expenses (generally, salaries and other operating expenses) were \$558,798 for the three months ended September 30, 2006. On a per share basis, the loss for the three months ended September 30, 2006 was approximately (\$.11) per basic share versus a loss of approximately (\$.19) per basic share for the same period in 2005.

Assets increased by 37% in the first nine months of 2006 from \$36,240,944 at year end 2005 to \$49,812,598 at September 30, 2006. Core deposits fueled asset growth as the Bank's client base of primarily small businesses continued to grow. At September 30, 2006 gross loans totaled \$37,689,791 up from \$24,641,362 at December 31, 2005. Deposits totaled \$37,565,619 at September 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 September 30, 2006.

President & CEO, James S. Young stated "We are pleased with our performance through the first nine months of this year. The quality and volume of our back log was extremely strong at quarter end and we expect to end 2006 on a very positive note".

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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Unaudited

	As of and for the Three Months Ending September 30, 2006		As of and for the Nine Months Ending September 30, 2006	
	2006	2005	2006	2005
Operating Data				
Net Interest Income	529,076	279,006	1,435,599	565,913
Provision for Loan Losses	151,933	97,005	290,726	231,636
Noninterest Income	13,228	9,702	49,978	13,415
Noninterest Expense	558,798	480,698	1,726,847	1,496,558
Net Income (Loss)	(168,427)	(288,996)	(531,997)	(1,148,866)
Per Share Data				
Net Earnings (Loss) – Basic	\$ (0.11)	\$ (0.19)	\$ (0.36)	\$ (0.77)
Weighted Average Shares Outstanding	1,484,100	1,484,100	1,484,100	1,484,100

Balance Sheet Data	As of		
	Sept 30, 2006	December 31, 2005	Sept 30, 2005
Total Assets	\$49,812,598	\$36,240,994	\$29,058,085
Total Loans	37,124,444	24,641,362	15,778,947
Allowance for Loan Losses (ALLL)	565,347	369,620	240,289
Investment Securities	11,118,500	9,904,499	11,932,052
Total Deposits	37,565,619	24,763,226	17,366,265
Total Shareholders' Equity	10,616,016	11,082,129	11,363,164