



# Indiana Business Bancorp<sup>SM</sup>

**FOR IMMEDIATE RELEASE**  
**April 16, 2007**

## **INDIANA BUSINESS BANCORP REPORTS FIRST QUARTER PROFITABILITY AND CONTINUED GROWTH**

**Indianapolis, IN, April 16, 2007** – 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 March 31, 2007. 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 profit for the quarter was \$8,406. This compares favorably to a loss of \$242,132 for the same period in 2006.

Net interest income for the first quarter of 2007 was \$618,570, a 64% increase from the first quarter of 2006. 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 \$44,603 for the quarter ended March 31, 2007, a 300% increase from the same quarter a year ago. The startup of our residential mortgage operation contributed to this increase.

Non-interest expenses (generally salaries and other operating expenses) were \$565,579 for the three months ended March 31, 2007, compared to \$574,012 for the first quarter of 2006. On a per share basis the profit for the first quarter of 2007 was less than \$.01 per basic share versus a loss of (\$.16) per basic share for the same period in 2006.

Assets increased by 13% in the first three months of 2007 from \$56,670,690 at December 31, 2006 to \$64,029,145 at March 31, 2007. Core deposits fueled asset growth as the Bank's client base of primarily small businesses continued to grow. Deposit growth was also supported by increased public funds and national certificate of deposit balances.

At March 31, 2007 gross loans totaled \$52,100,004 up from \$45,238,847 at December 31, 2006. Deposits totaled \$52,960,170 at March 31, 2007, up from \$45,602,404 at December 31, 2006. The Bank's capital ratios exceeded regulatory guidelines for "well capitalized" institutions at March 31, 2007.

President and CEO, James S. Young stated "We are pleased to start 2007 with our first full quarter of profitability. Our profile in the central Indiana market continues to increase as does our new business opportunities."

### **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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**UNAUDITED**

	<b>As of and for the Three Months Ending March 31,</b>	
<b>Operating Data</b>	<b>2007</b>	<b>2006</b>
Net Interest Income	618,570	403,031
Provision for Loan Losses	89,188	86,027
Noninterest Income	44,603	14,876
Noninterest Expense	565,579	574,012
Net Income (Loss)	8,406	(242,132)
<b>Per Share Data</b>		
Net Earnings (Loss) – Basic	NM	\$ (0.16)
Weighted Average Shares Outstanding	1,484,100	1,484,100

	<b>As of</b>		
<b>Balance Sheet Data</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>	<b>March 31, 2006</b>
Total Assets	\$64,029,145	\$56,670,690	\$39,652,690
Total Loans	52,100,004	45,238,847	30,899,175
Allowance for Loan Losses	781,500	689,252	455,647
Investment Securities	5,989,584	4,499,999	2,976,072
Total Deposits	52,960,170	45,602,404	28,443,653
Total Shareholders' Equity	10,534,233	10,511,011	10,858,125