



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

**FOR IMMEDIATE RELEASE**  
**July 24, 2007**

## **INDIANA BUSINESS BANCORP REPORTS SECOND CONSECUTIVE QUARTER OF PROFITABILITY**

**Indianapolis, IN, July 24, 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 June 30, 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 \$12,347, an improvement of \$133,784 from the loss of \$121,437 reported for the same period in 2006.

Net interest income for the second quarter of 2007 was \$629,947, a 25% increase from the second 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 fee income) totaled \$49,850 for the quarter ended June 30, 2007, a 228% increase from the same quarter a year ago. The startup of the Bank's residential mortgage operation and other loan sale premiums contributed to this increase.

Non-interest expenses (generally salaries and other operating expenses) increased by just over 3%, year over year, from \$594,037 during the second quarter of 2006, to \$612,809 for the most recent quarter.

Assets increased by 18% in the first six months of 2007 from \$56,670,690 at year end 2006 to \$66,815,142 at June 30, 2007. Core deposits fueled asset growth as the Bank's client base continued to grow. Deposit growth was also supported by increased public funds and national certificate of deposit balances.

At June 30, 2007 gross loans totaled \$55,742,756, up from \$45,238,847 at December 31, 2006. Deposits totaled \$55,484,443, up from \$45,602,404 at December 31, 2006. The Bank's capital ratios exceeded regulatory guidelines for "well capitalized institutions" at June 30, 2007.

President and CEO, James S. Young stated, "We are very encouraged by our positive strides in the first half of 2007. Expanding our customer base, while controlling overhead, enabled us to realize a positive swing in earnings of nearly \$385,000 for the first six months of 2007 versus the prior year period." Young further stated "As we observe further bank consolidation in our market, with yet another out-of-state operation buying a locally-owned bank we remain convinced that our business model of a locally owned and managed business bank is compelling."

### **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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Operating Data	As of and for the Three Months Ending June 30		As of and for the Six Months Ending June 30	
	2007	2006	2007	2006
Net Interest Income	629,947	503,492	1,248,517	906,523
Provision for Loan Losses	54,641	52,767	143,829	138,794
Noninterest Income	49,850	21,875	94,453	36,751
Noninterest Expense	612,809	594,037	1,178,388	1,168,049
Net Income (Loss)	12,347	(121,437)	20,753	(363,569)
Weighted Average Shares Outstanding	1,484,100	1,484,100	1,484,100	1,484,100

Balance Sheet Data	As of		
	June 30, 2007	December 31, 2006	June 30, 2006
Total Assets	\$66,815,142	\$56,670,690	\$46,958,920
Total Loans	55,742,756	45,238,847	33,981,283
Allowance for Loan Losses	836,141	689,252	508,414
Investment Securities	5,439,450	4,499,999	3,974,173
Total Deposits	55,484,443	45,602,404	35,880,637
Total Shareholders' Equity	10,514,732	10,511,011	10,752,240