



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

**FOR IMMEDIATE RELEASE**  
**November 13, 2007**

## **INDIANA BUSINESS BANCORP REPORTS CONTINUED GROWTH**

**Indianapolis, IN, November 13, 2007** – Indiana Business Bancorp (OTC BB:IBBI.OB) (the "Company"), the holding company for Indiana Business Bank (the "Bank"), announced results for the nine months ended September 30, 2007.

The net loss for the quarter was (\$2,763), an improvement of \$165,665 from the loss of (\$168,428) reported for the same period in 2006. The Bank has recorded a year to date profit of \$17,990 compared to a loss of (\$531,997) for the nine months ending September 30, 2006.

Net interest income for the third quarter of 2007 was \$644,117, a 22% increase from the third 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 \$55,640 for the quarter ended September 30, 2007, a 421% increase from the same quarter a year ago. The startup of a residential mortgage operation and other loan sale premiums contributed to this increase. No portion of non-interest income was derived from sub-prime lending. The Bank does not participate in the sub-prime mortgage market. The Bank has continued to maintain its allowance for loan losses at 1.50% of loans outstanding.

Non-interest expenses (generally salaries and other operating expenses) increased by 16%, year over year, from \$558,800 during the third quarter of 2006 to \$648,870 for the most recent quarter, due primarily to increased staffing levels.

Assets increased by 31% during the first nine months of 2007 from \$56,670,690 at year end 2006 to \$74,232,469 at September 30, 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 September 30, 2007 gross loans totaled \$58,429,640 up from \$45,238,847 at December 31, 2006. Deposits totaled \$61,804,693, up from \$45,602,404 at

December 31, 2006. The Bank's capital ratios exceeded regulatory guidelines for "well capitalized institutions" at September 30, 2007.

President and CEO, James S. Young stated, "We remain encouraged by our continued progress in 2007. Given the current operating environment for banks and the many challenges the industry faces, we are very happy to report a positive swing in earnings of over \$550,000 for the first three quarters of 2007 versus the prior year period."

### **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:**

#### **At the Company:**

Gregory Gault  
Executive Vice President  
317-218-2181  
ggault@indianabb.com

#### **At Executive Media:**

Guy Johnson  
(317) 231-7000 Ext. 202  
guy@executivemedia.com

UNAUDITED

Operating Data	As of and for the Three Months Ending Sept 30		As of and for the Nine Months Ending Sept 30	
	2007	2006	2007	2006
Net Interest Income	644,117	529,076	1,892,634	1,435,599
Provision for Loan Losses	53,650	151,932	197,479	290,726
Noninterest Income	55,640	13,228	150,093	49,979
Noninterest Expense	648,870	558,800	1,827,258	1,726,849
Net Income (Loss)	(2,763)	(168,428)	17,990	(531,997)
Weighted Average Shares Outstanding	1,484,100	1,484,100	1,484,100	1,484,100

Balance Sheet Data	As of		
	Sept 30, 2007	December 31, 2006	Sept 30, 2006
Total Assets	\$74,232,469	\$56,670,690	\$49,812,598
Total Loans	58,429,640	45,238,847	37,124,444
Allowance for Loan Losses	889,791	689,252	565,347
Investment Securities	5,505,750	4,499,999	3,989,500
Total Deposits	61,804,693	45,602,404	37,565,619
Total Shareholders' Equity	10,596,558	10,511,011	10,616,016