



Indiana Business BancorpSM

FOR IMMEDIATE RELEASE
April 17, 2009

INDIANA BUSINESS BANCORP REPORTS FIRST QUARTER PROFITABILITY

Indianapolis, IN, April 17, 2009 – Indiana Business Bancorp (OTCBB: IBBI.OB), the holding company for Indiana Business Bank, announced results for the three months ended March 31, 2009.

The net profit for the quarter was \$32,252. This compares to a \$13,942 profit for the quarter ending March 31, 2008.

Net interest income for the first quarter of 2009 grew 11%, year over year, from \$665,472 to \$740,550. The company's net interest income improved, compared to the prior year period, despite a much lower interest rate environment, due to increased loan volume and a reduction in funding costs.

Non-interest income of \$35,735 was lower during the quarter, relative to the year earlier level of \$87,499, due to the company's decision to exit the residential mortgage origination business in late 2008. Core sources of non-interest income, primarily service charges and fees on deposit accounts increased 53%, compared with the first quarter of 2008, due to an increased customer count, higher volumes, and pricing increases.

Non-interest expense (generally salaries and other operating expenses) grew 5%, compared to first quarter 2008. This \$35,908 increase is principally composed of increased FDIC insurance expense, increased legal and accounting expenses, and expenses associated with other real estate owned. The majority of remaining non-interest expense categories decreased from the first quarter of 2008. The largest decrease was a 10% year over year reduction in salaries and benefits.

On a per share basis the net profit for the first quarter of 2009 was \$.02 per basic share, a slight increase over 2008.

Assets increased 1% in the first quarter, to \$91,218,136 at March 31, 2009, compared to \$89,978,662 at December 31, 2008.

Total deposits increased 2% during the quarter, and non-interest bearing deposits increased 6%. The company continues to pursue small business deposits, and expects to continue using national market certificates of deposit to fund growth during the balance of 2009.

At March 31, 2009, gross loans totaled \$78,452,341, which reflects an 11% increase from \$70,907,796 on March 31, 2008. The allowance for loan losses was \$1,365,150 at March 31, 2009, which equals 1.74% of total loans. This ratio compares favorably with the other banking organizations the company considers its peers. The bank's capital ratios exceeded regulatory guidelines for "well capitalized institutions" at March 31, 2009.

President and CEO, James S. Young stated, "In light of the current economic and banking environment, we are pleased to report our strongest quarter of results since our opening. While uncertain times remain ahead of us, we have achieved an asset size which allows us to operate profitably in this environment." Young continued, "Recent changes to the loan guaranty programs of the U.S. Small Business Administration will allow us to continue to support local Indiana businesses while maintaining strong credit quality, acceptable pricing and core funding."

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: changes in general, regional and local economic conditions, and their effect on interest rates; the impact of the downturn in housing and the adverse conditions in the credit markets; 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.

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	As of and for the Three Months Ending March 31, 2009	
Operating Data	2009	2008
Net Interest Income	740,550	665,472
Provision for Loan Losses	20,000	50,904
Noninterest Income	35,735	87,499
Noninterest Expense	724,033	688,126
Net Income (Loss)	32,252	13,941
Per Share Data		
Net Earnings (Loss) – Basic	\$.02	NM
Weighted Average Shares Outstanding	1,484,100	1,484,100

	As of		
Balance Sheet Data	March 31, 2009	December 31, 2008	March 31, 2008
Total Assets	91,218,136	89,978,662	83,374,868
Total Loans	78,452,341	78,460,697	70,888,525
Allowance for Loan Losses	1,365,150	1,344,796	1,043,424
Investment Securities	6,588,400	7,146,900	6,137,841
Total Deposits	72,686,597	71,382,245	64,873,891
Total Shareholders' Equity	9,850,813	9,869,154	10,724,163

