



Indiana Business BancorpSM

FOR IMMEDIATE RELEASE
March 30, 2010

INDIANA BUSINESS BANCORP REPORTS 2009 RESULTS OF OPERATIONS

Indianapolis, IN, March 30, 2010 – Indiana Business Bancorp (OTC BB:IBBI.OB), the holding company for Indiana Business Bank, announced full year results for the year ending December 31, 2009.

The bank recorded an annual profit of \$17,139 which compares to its 2008 net loss of \$898,673. The primary drivers of the improved performance were reduced interest expense (\$666,741), as funding sources, primarily deposits and Federal Home Loan Bank advances, re-priced at lower costs; and reduced loan loss provision expense (\$722,451).

Non-interest income improved 7.6% in 2009 compared with 2008. The majority of 2009's non-interest income consisted of gains on sale of loans guaranteed by the U.S. Small Business Administration (SBA) in contrast to 2008's non-interest income, which was driven primarily by gains on sale of residential mortgage loans. Non-interest income was negatively impacted by a \$58,000 write down of other real estate owned (OREO) and the \$51,000 write-off of an investment in Independent Bankers Bank which failed in the fourth quarter of 2009. Service charge income, a component of non-interest income was up 44% in 2009 versus 2008.

Non-interest expense increased 3.3% or \$93,727, in 2009 compared to 2008. Increased and "special" FDIC assessments of \$137,184, and an increase in professional fees of \$142,716, as well as a \$68,812 increase in OREO expense led to the overall increase. These expenses were substantially offset by a \$224,384 reduction in salaries and employee benefits as well as a \$29,021 reduction in travel and entertainment expense.

Total deposits increased slightly from \$71,382,245 at year end 2008 to \$72,385,956 at year end 2009. Non-interest bearing deposits grew 14% during 2009 and made up 25% of total deposits as of December 31, 2009.

At December 31, 2009, gross loans totaled \$70,314,937, an \$8,145,760 decrease from December 31, 2008. The decrease was primarily due to payoffs of loans purchased from other community banks and the bank's practice of selling the guaranteed portion (up to 90%) of SBA small business loans. The allowance for loan losses was \$1,130,698 at December 31, 2009, which represents 1.61% of total loans. The bank's capital ratios exceeded regulatory guidelines for "well capitalized" institutions at year end 2009.

President and CEO, James S. Young stated, "We faced many obstacles in 2009 including a weak economy, increased costs associated with problem loan management (professional fees and OREO expenses) and increased FDIC assessments. However, through active net-interest margin improvement and tight monitoring of controllable non-interest expenses, we were able to complete a profitable year in 2009."

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 that provides highly-personalized banking services for small to medium-sized businesses, their owners and professional services firms in the Indianapolis, Indiana metropolitan area. The bank offers 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.

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

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	As of and for the Twelve Months Ending December 31st	
Operating Data	2009	2008
Net Interest Income	2,993,097	2,739,983
Provision for Loan Losses	278,888	1,001,339
Noninterest Income	215,871	200,597
Noninterest Expense	2,912,941	2,819,214
Net Income (Loss)	17,139	(898,673)
Per Share Data		
Net Earnings (Loss) per share	N/A	.61
Weighted Average Shares Outstanding	1,494,325	1,484,100

	As of	
Balance Sheet Data	December 31, 2009	December 31, 2008
Total Assets	88,341,401	89,978,662
Total Loans	70,314,937	78,460,697
Allowance for Loan Losses	1,130,698	1,344,796
Investment Securities	6,535,600	7,146,900
Total Deposits	72,385,956	71,382,245
Total Shareholders' Equity	9,774,803	9,899,594