INDEPENDENT ALLIANCE BANKS, INC.
118 East Ludwig Road
Fort Wayne, Indiana 46825

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 26, 2016

The Board of Directors of Independent Alliance Banks, Inc. (the "Corporation") is furnishing this Proxy Statement to solicit proxies from the holders of Independent Alliance Banks, Inc. common stock for use at our Annual Meeting of Shareholders to be held on April 26, 2016, at 12:15 p.m., local time, or at any adjournment or postponement of the meeting. The Annual Meeting will be held at Hotel Fort Wayne, 305 East Washington Center Road, Fort Wayne, Indiana. At the Annual Meeting, shareholders are being asked to consider and vote on the following proposals:

1. The election of three directors for three-year terms;
2. To ratify the Audit Committee's appointment of BKD, LLP as independent auditors of the Corporation for the year ending December 31, 2016; and
3. The transaction of other business as may properly come before the meeting.

As of the date of this Proxy Statement, we are not aware of any other business to be presented for consideration at the Annual Meeting other than the matters described above.

It is important that your shares of stock be represented at the Annual Meeting whether or not you plan to attend. Accordingly, you are asked to vote your shares by completing, signing, dating, and returning your proxy in the enclosed envelope as promptly as possible. A majority of the outstanding shares of the common stock entitled to be cast will constitute a quorum for purposes of the Annual Meeting.

This Proxy Statement and the enclosed form of proxy are being mailed to shareholders of record on March 1, 2016.

PROXIES AND PROXY SOLICITATION

If a shareholder properly executes the enclosed proxy, the proxy named will vote the shares of common stock represented by that proxy at the Annual Meeting. Where a shareholder specifies a choice, the proxy will be voted in accordance with the shareholder's instructions. Where no specific direction is given, the proxy will vote the shares "FOR" the election of the nominees for director, and "FOR" proposal #2. As to any other matters presented at the Annual Meeting, the shares for which proxies have been received will be voted in accordance with the discretion of management.

Any proxy given pursuant to this solicitation or otherwise may be revoked by the shareholder at any time before it is voted. A shareholder may revoke a proxy by (a) delivering to the Corporation's Secretary at the above address, on or before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy or a later dated proxy relating to the same shares of common stock, or (b) attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not in itself constitute the revocation of a proxy.

The Corporation will pay the cost of soliciting proxies. In addition to solicitation by mail, our directors, officers, and employees may solicit proxies personally or by facsimile, email, or telephone without additional compensation. We will reimburse brokerage firms and other custodians, nominees, and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of the Corporation's common stock.

Voting Rights and Vote Required

As of March 1, 2016, there were 4,088,248 shares of common stock outstanding and entitled to vote at the Annual Meeting. Shareholders of record as of the close of business on March 1, 2016, will be entitled to one vote on each matter presented for a vote at the Annual Meeting for each share of the Corporation's common stock held on such date. Such vote may be exercised in person or by a properly executed proxy.

A majority of the outstanding shares of the common stock entitled to be cast will constitute a quorum for purposes of the Annual Meeting.

Directors will be elected by a plurality of the votes cast. Approval of proposal #2 and all other matters to come before the Annual Meeting will be approved if the votes cast favoring each proposal exceed the votes cast opposing that proposal.

Proposal #1

Election of Directors

The Articles of the Corporation provide that the Board of Directors shall be divided into three classes, as nearly equal in number as possible, with the term of office of one class expiring each year. Our Board of Directors is currently composed of twelve members.

Information with Respect to Nominees

The following persons have been nominated by the Board of Directors for election to Class I of the Board of Directors. Class I directors will be elected at the Annual Meeting to serve a three-year term expiring in 2019.

Name - Class I	Age [1]	Position(s) Held with Independent Alliance Banks, Inc.	Director Since	Term Expires
Kathryn A. Brogan	62	Director	2012	2016
Jeffrey K. Espich*	73	Director	2008	2016
Rudy G. Frauhiger*	71	Director	2012	2016
William S. Ogden	60	Director	2005	2016
Charles R. Schrimper	70	Director, Chairman of the Board	2011	2016

*Jeffrey K. Espich and Rudy G. Frauhiger are currently Class I directors. Mr. Espich and Mr. Frauhiger will not stand for re-election at the Annual Meeting since they have reached the Board retirement age. The Company's strategy is to maintain a Board of Directors that is comprised of 10 to 12 members.

The following directors will continue in office for the remainder of their terms.

Name - Class II	Age [1]	Position(s) Held with Independent Alliance Banks, Inc.	Director Since	Term Expires
Brent L. Clifton	64	Director, Vice Chairman of the Board	2005	2017
Michael C. Marhenke	62	Director, President & CEO	2005	2017
Ann C. McPherren	58	Director	2012	2017
James A. Witmer	64	Director	2012	2017

Name - Class III	Age [1]	Position(s) Held with Independent Alliance Banks, Inc.	Director Since	Term Expires
Robert L. Caley	53	Director	2012	2018
Karl R. LaPan	50	Director	2012	2018
Douglas F. LeMaster, Jr.	71	Director	2005	2018

[1] As of December 31, 2015

The business experience of each Director of Independent Alliance Banks, Inc. for at least the past five years is as follows:

Kathryn A. Brogan	Partner, Eilbacher Fletcher, LLP
Robert L. Caley	Grain Farmer, Caley Farms, Inc.
Brent L. Clifton	Retired President and Chief Executive Officer, Grabill Bank Vice-Chairman of Independent Alliance Banks, Inc. Board of Directors
Jeffrey K. Espich	Retired State Representative, Indiana House of Representatives Senior Advisor to the Governor of the State of Indiana
Rudy G. Frauhiger	Realtor and Auctioneer, Coldwell-Banker Holloway and Holloway Auction Co.
Karl R. LaPan	President and CEO, Northeast Indiana Innovation Center, Inc.
Douglas F. LeMaster, Jr.	Retired President, Agrarian Grain, Inc.
Michael C. Marhenke	President and CEO, Independent Alliance Banks, Inc. and iAB Financial Bank
Dr. Ann C. McPherren	Vice President for Strategy and Graduate and Professional Programs and Professor of Business and Economics, Huntington University
William S. Ogden	Vice President Finance, Sauder Manufacturing Co.
Charles R. Schrimper	Retired President and CEO, Group Dekko Chairman of Independent Alliance Banks, Inc. Board of Directors
James A. Witmer	Senior Vice President, Parkview Health Secretary of Independent Alliance Banks, Inc. Board of Directors

Proposal #2

To Ratify the Audit Committee's Appointment of BKD, LLP as Independent Auditors

The Audit Committee of the Board of Directors recommends that the shareholders ratify the selection of BKD, LLP to serve as the independent auditing firm for the Corporation for the year 2016. BKD has examined the financial statements of the Corporation since its inception in 2005. Although the Corporation is not required to seek shareholder ratification of this appointment, the Board believes it is sound corporate governance to do so. If shareholders do not ratify the appointment of BKD, the Audit Committee will consider the shareholders' action in determining whether to appoint BKD as the Company's independent auditors for 2017.

Representatives of BKD will be present at the Annual Meeting to answer appropriate questions.

OTHER MATTERS

The Board of Directors is not aware of any business to come before the Annual Meeting other than the matters described above in this Proxy Statement. However, if any other matters should properly come before the Annual Meeting, it is intended that holders of the proxies will act in accordance with their best judgment.

BY ORDER OF THE BOARD OF DIRECTORS



Michael C. Marhenke
President & Chief Executive Officer

Fort Wayne, Indiana