



Irwin
Financial

June 2003



Irwin Financial

In our presentations to you today and in the course of answering your questions, we may make statements that are "forward-looking". Statements of our plans, initiatives, expectations, objectives, strategies, forecasts, expected results and similar expressions identify forward-looking information and can be identified by words such as "anticipate", "expect", "intend", and similar expressions. These statements are not guarantees of future performance or events and our actual accomplishment of the plans we have discussed with you today involve certain risks and uncertainties that are difficult to predict. Therefore, actual future events may differ materially from what we discussed here today. Our results are affected by a variety of factors including, but not limited to changes in interest rates, consumer and commercial demand for credit, the credit quality of our borrowers and the levels of reserves for we have for losses reflected both in our allowance for loan and lease losses and in our valuation of home equity residuals, and changes in the secondary market for our products and funding sources, legislative and regulatory changes. For a more complete explanation of various factors that may affect our future results, we refer you to the risk factors and other cautionary language contained in our report on Form 10-K, 10-Q and Form 8-K, which are on file with the SEC.

Agenda

- IFC strategy and background
- Product and channel strategies

Irwin Financial Corporation

- Diversified banking services
 - Small businesses → commercial loans and leases
 - Consumers → first mortgages and home equity loans
 - US and Canadian markets
- \$427 million net revenues, \$4.9 billion assets
 - \$6.0 billion in owned managed assets (credit risk)
 - » Additional \$20.4 billion 1st Mortgage Servicing Rights (no credit risk)
- High insider ownership
 - 43% Directors and Officers
 - 35% Institutions
 - 22% Retail

What Makes Us Different?

- Historical strong earnings and rates of return
 - EPS growth rate since 1990 of 21%; 12 years with ROE at or above 15%
 - » Transition in securitization/funding structures in 2002/03
 - After transition in 2002/03
 - » Return to long-term targets: $\geq 12\%$ EPS growth and 15% ROE
 - » Same targets used throughout the 1990s
- Diversified revenue base
 - Have done well in environments of slow growth with declining rates and faster growth with rising rates
- Bias toward organic growth and niche identification rather than acquisition

Creating Long-Term Value

Identify Under Served **Niches** in Banking

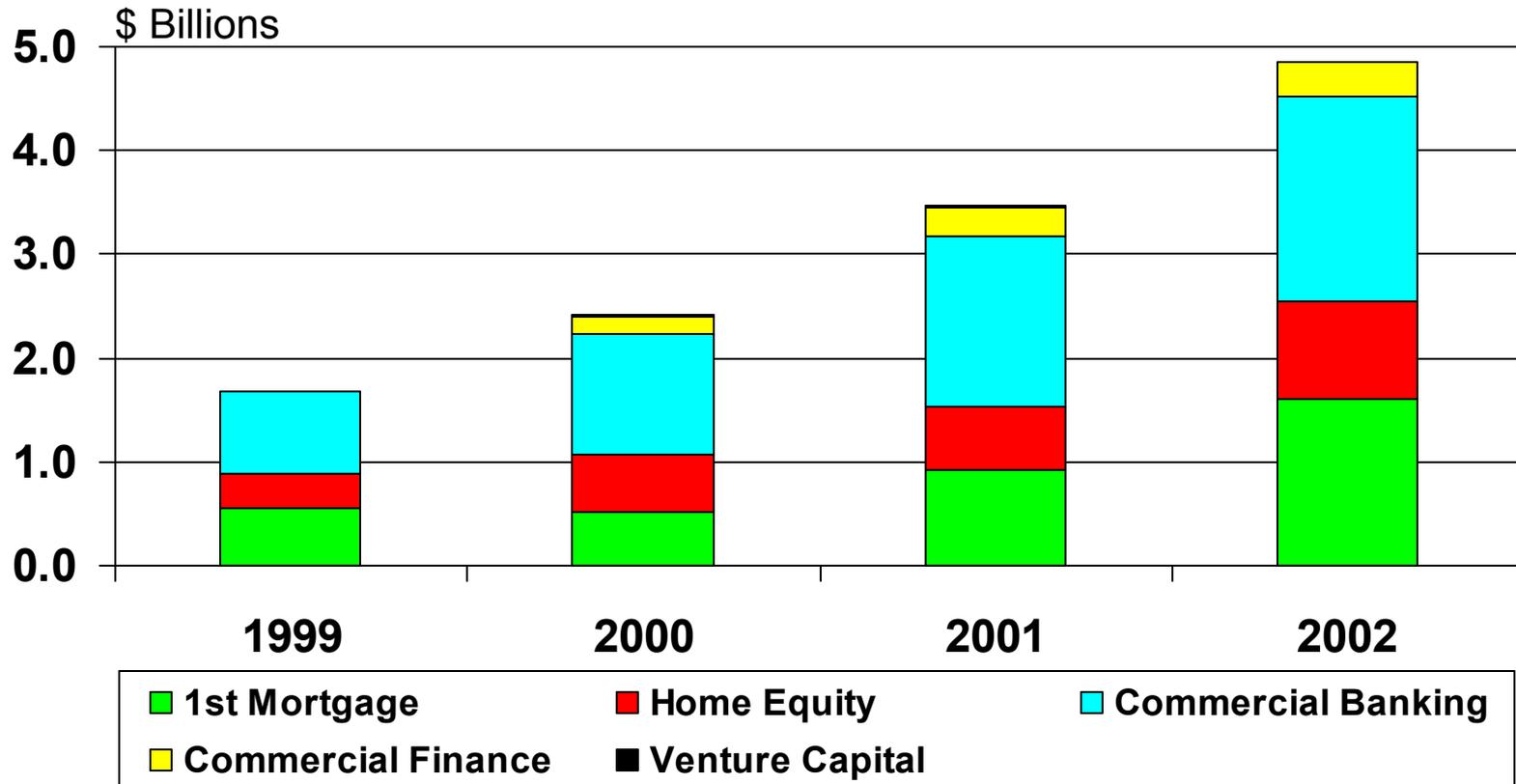
Reinvest in
New
Opportunities



Hire
Exceptional
Management
with Niche
Expertise

Diversify Capital and Earnings Risk

Total Assets By Product Line



Total Assets

\$Billions

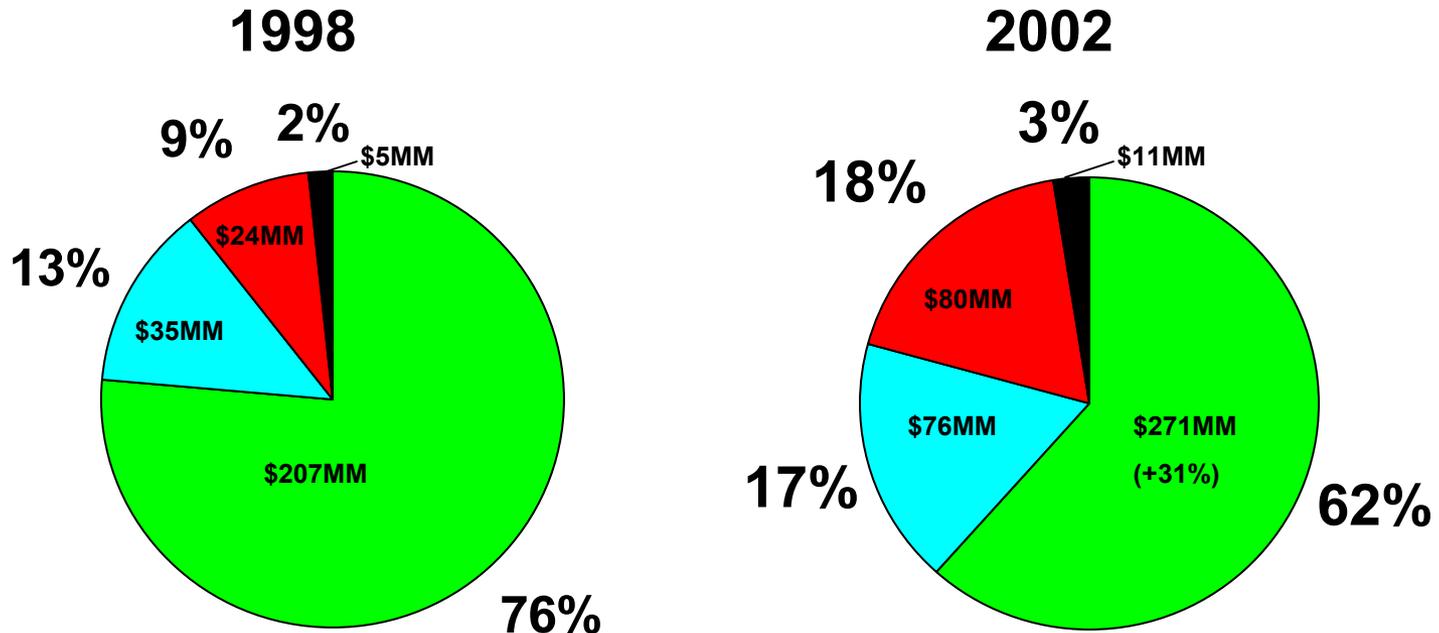
\$1.7

\$2.4

\$3.5

\$4.9

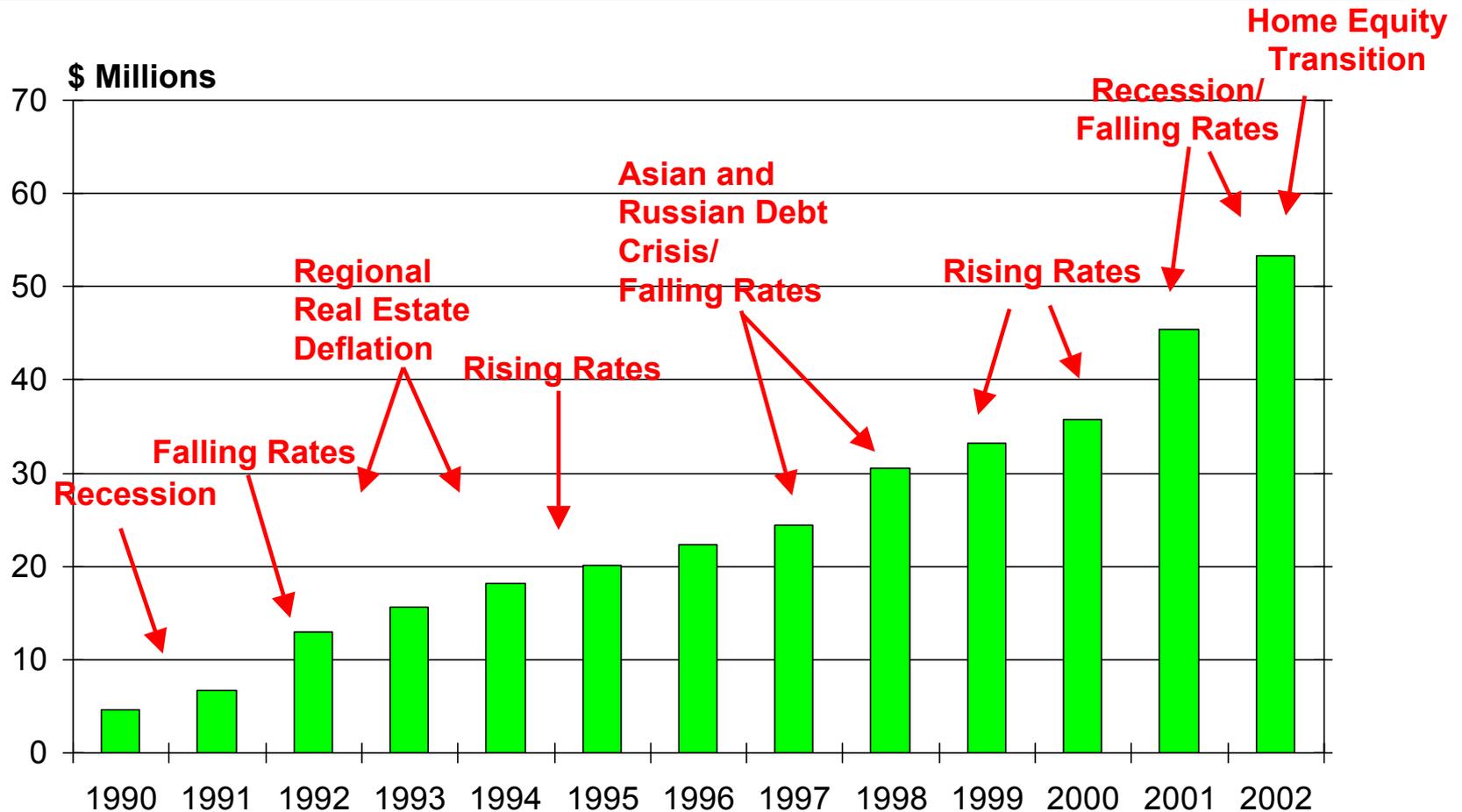
Net Revenues by Product Line



■ Mortgage ■ Comm'l Bank ■ Home Equity ■ Commercial Finance

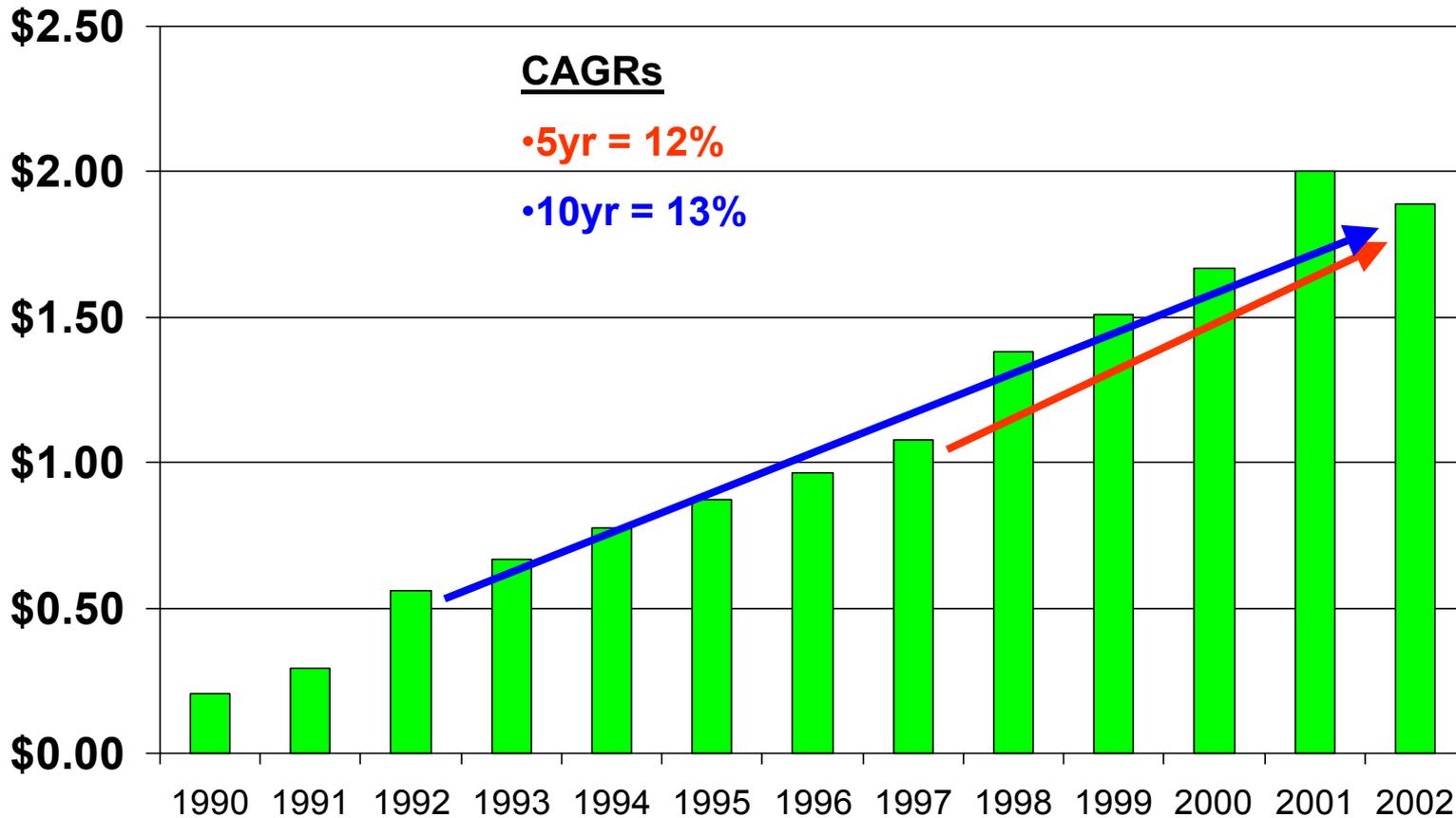
Excludes parent and other subsidiaries

Consolidated Net Income

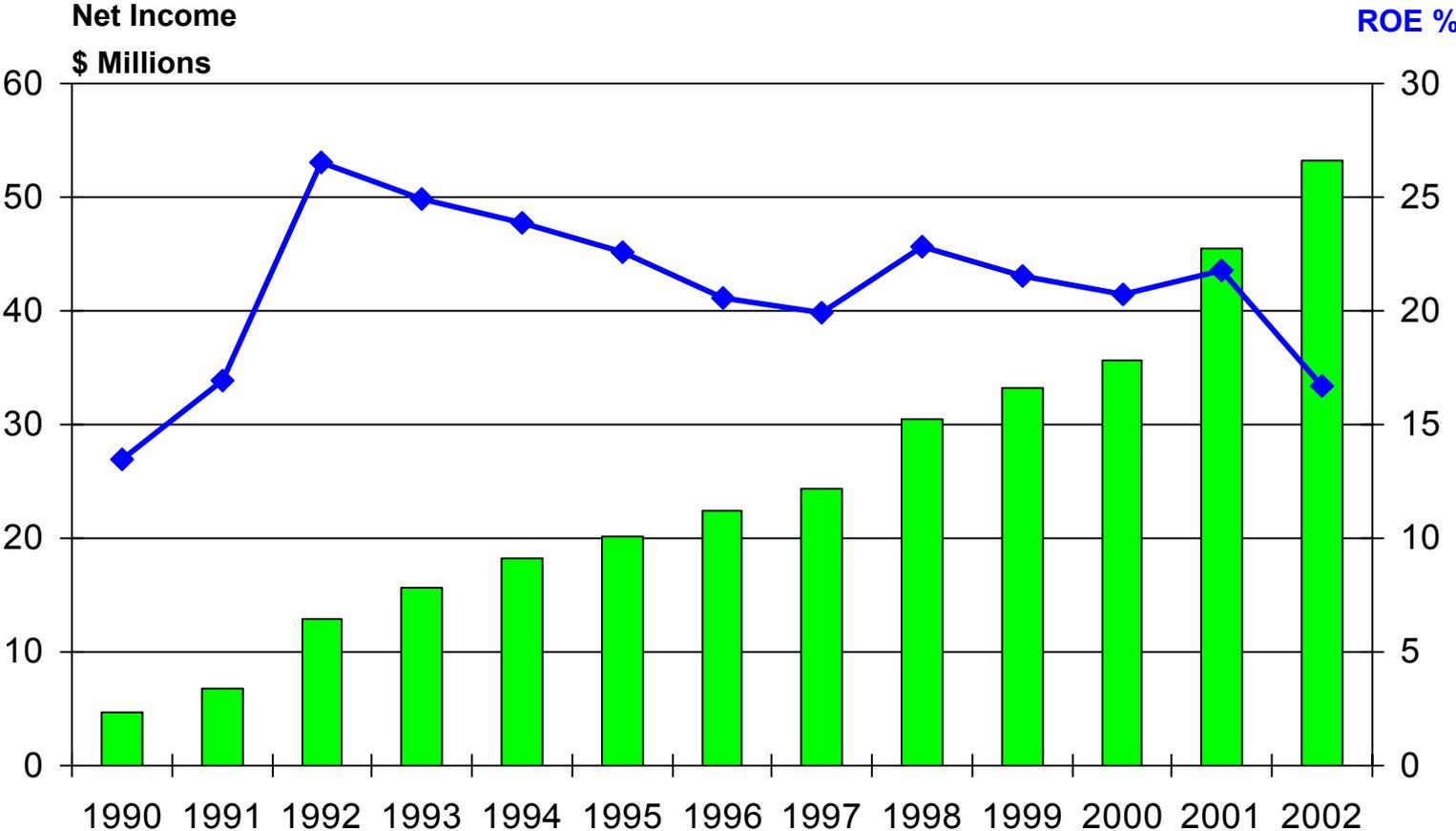


Net Income '90 - '02 Compound Annual Growth Rate (CAGR) of 23%

Earnings Per Share



Consolidated EPS and ROE



Agenda

- IFC strategy and background
- Product and channel strategies

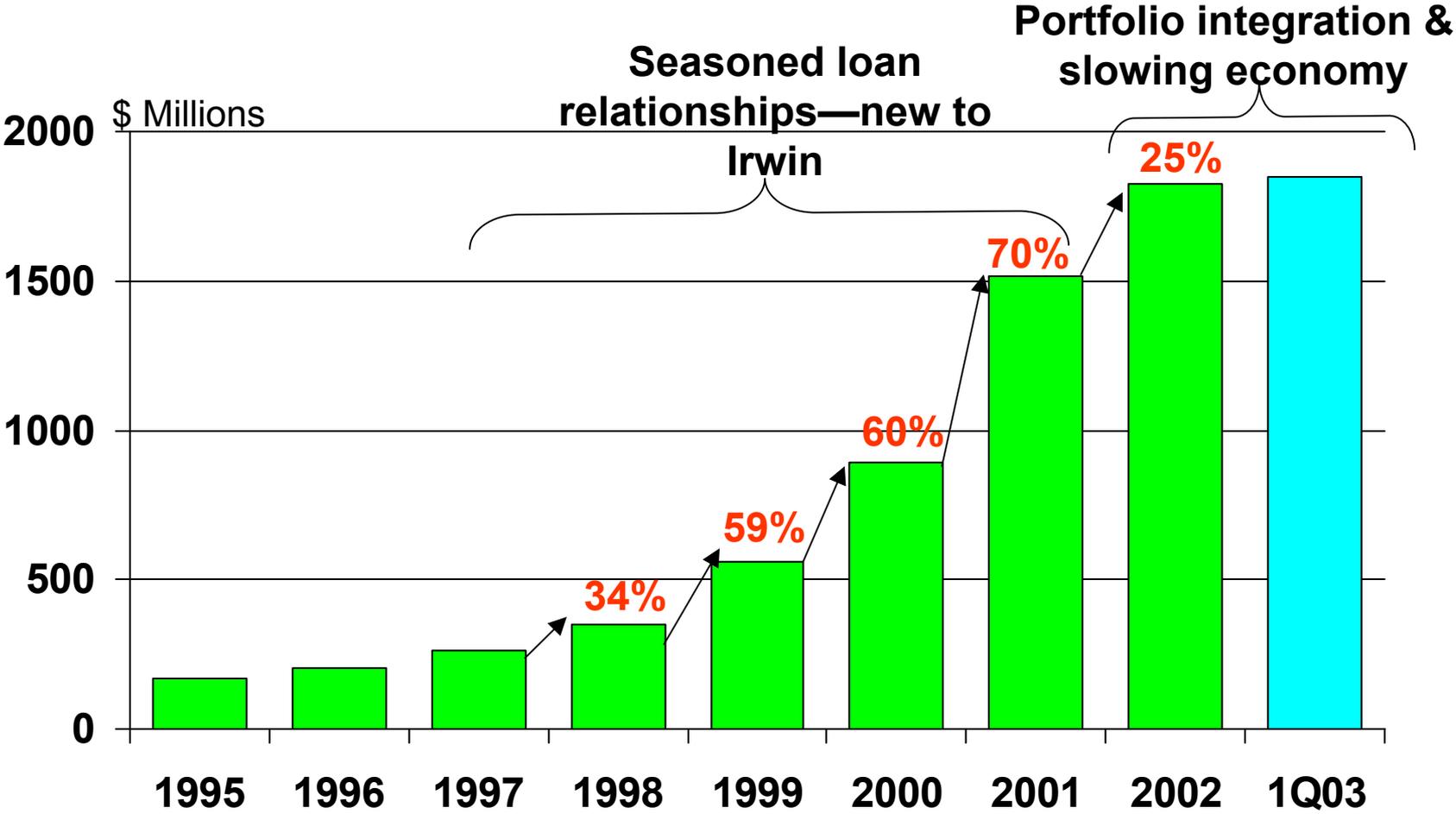
Commercial Banking

- Commercial lending, cash management, and private banking needs of small businesses and owners
 - Growth segment of economy
 - Customers who value personalized service
 - 7 Midwest and Rocky Mountain States
- Loan Portfolio of \$1.8 billion at 03/31/03

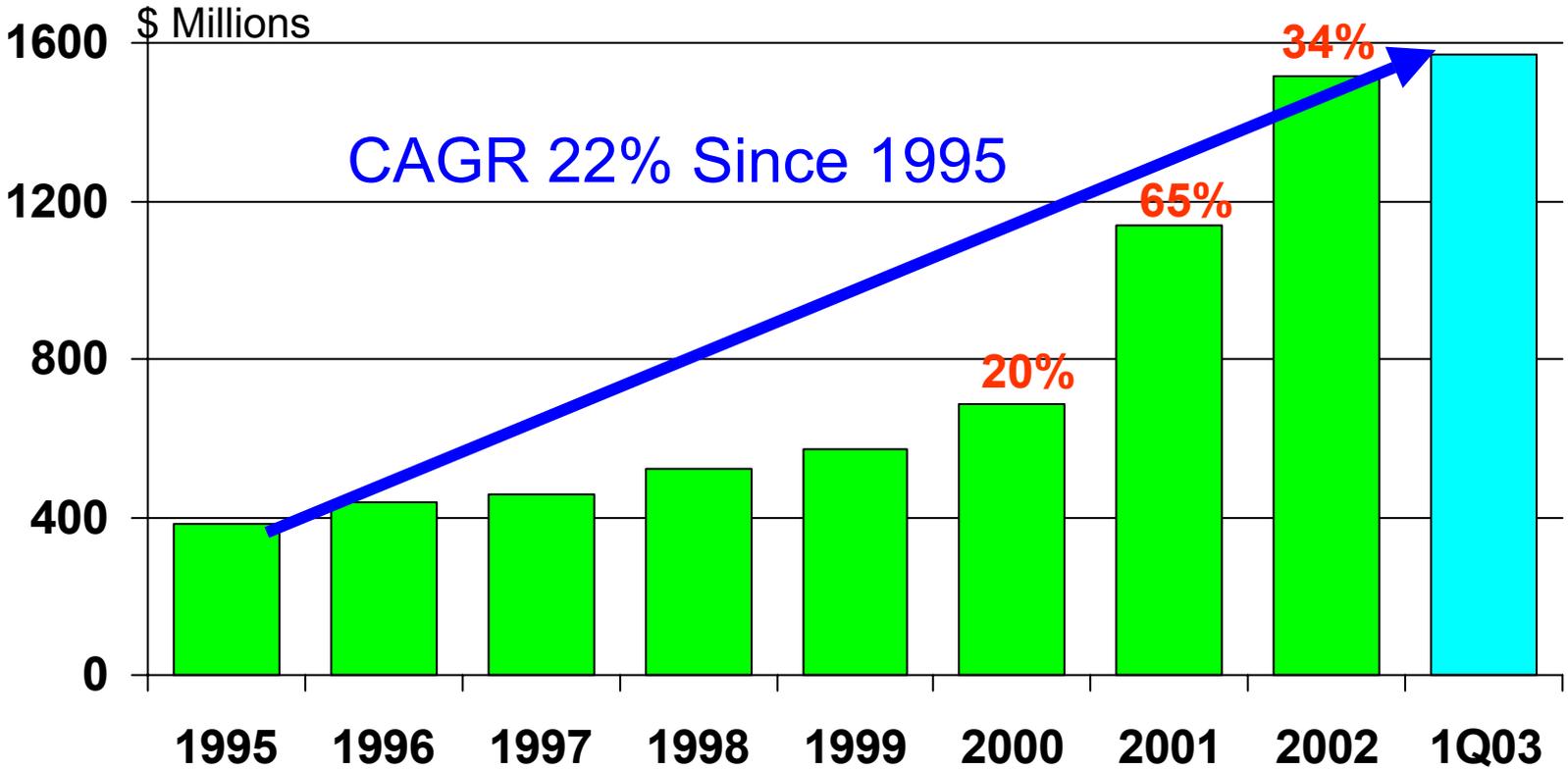
Commercial Banking

- Criteria for market selection
 - Diverse, growing metropolitan economy
 - Disruption from consolidation
 - Experienced local management
 - » Avg. 16 years experience in market
- Combination of size and flexibility
 - People-led strategy
 - Backed by technology
- Strong credit function

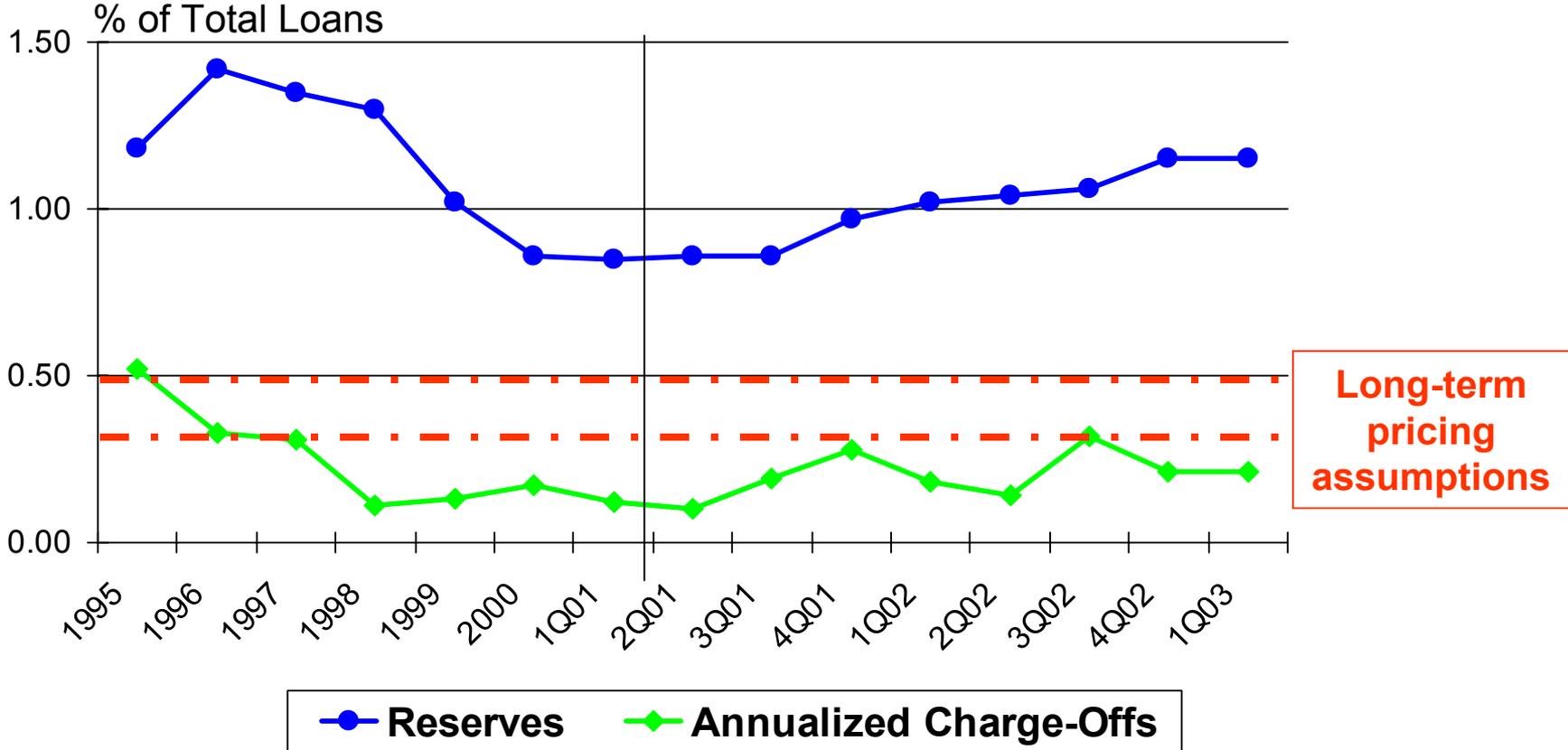
Commercial Banking Loan Growth



Core Deposit Growth



Commercial Banking Charge-Offs and Reserves



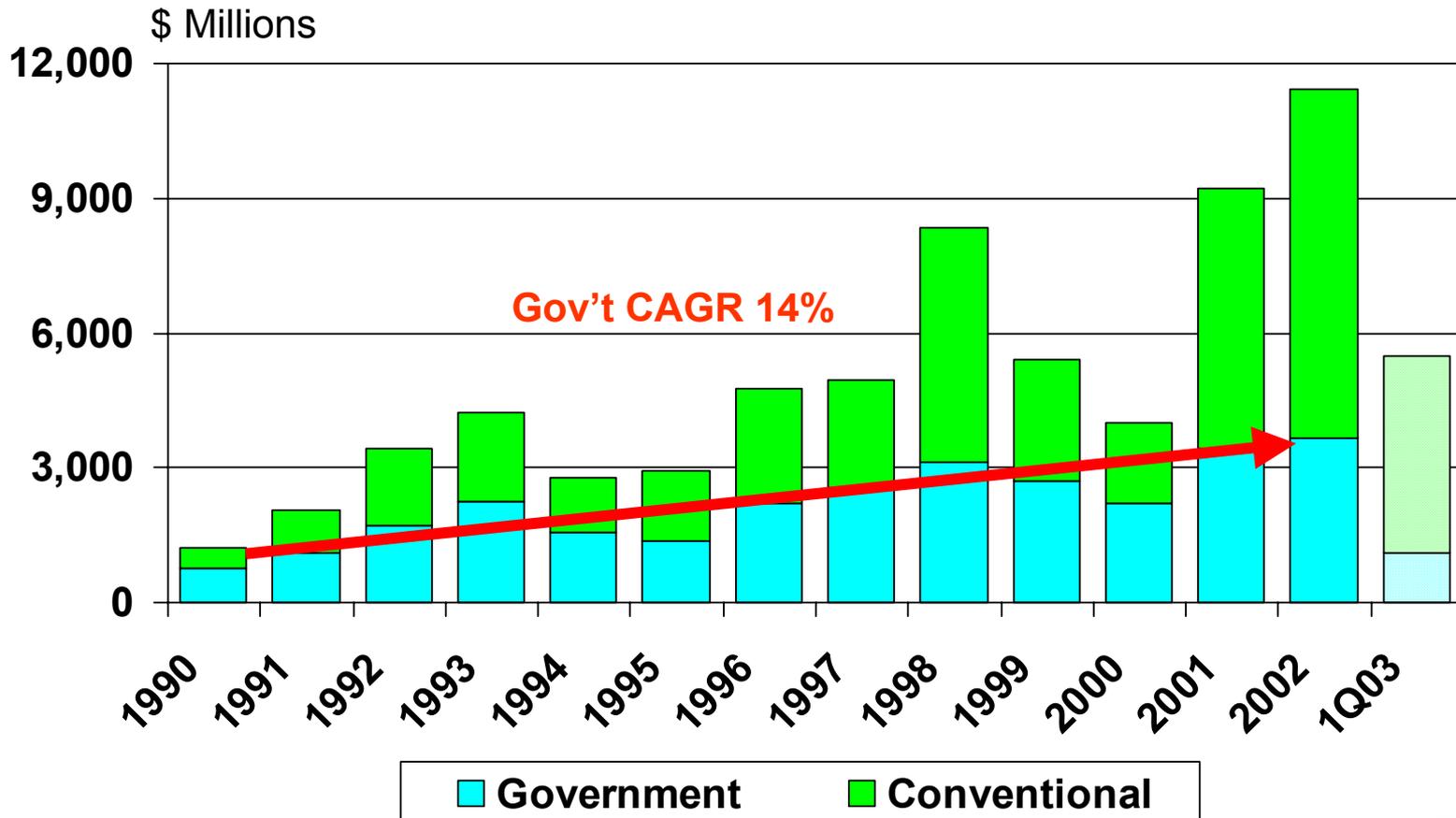
Mortgage Lending

- Conforming first mortgage loans
 - No retained credit risk
 - All sold with GSE or government agency enhancement
- Last twelve months originations of \$15 billion
- \$20.4 billion servicing portfolio

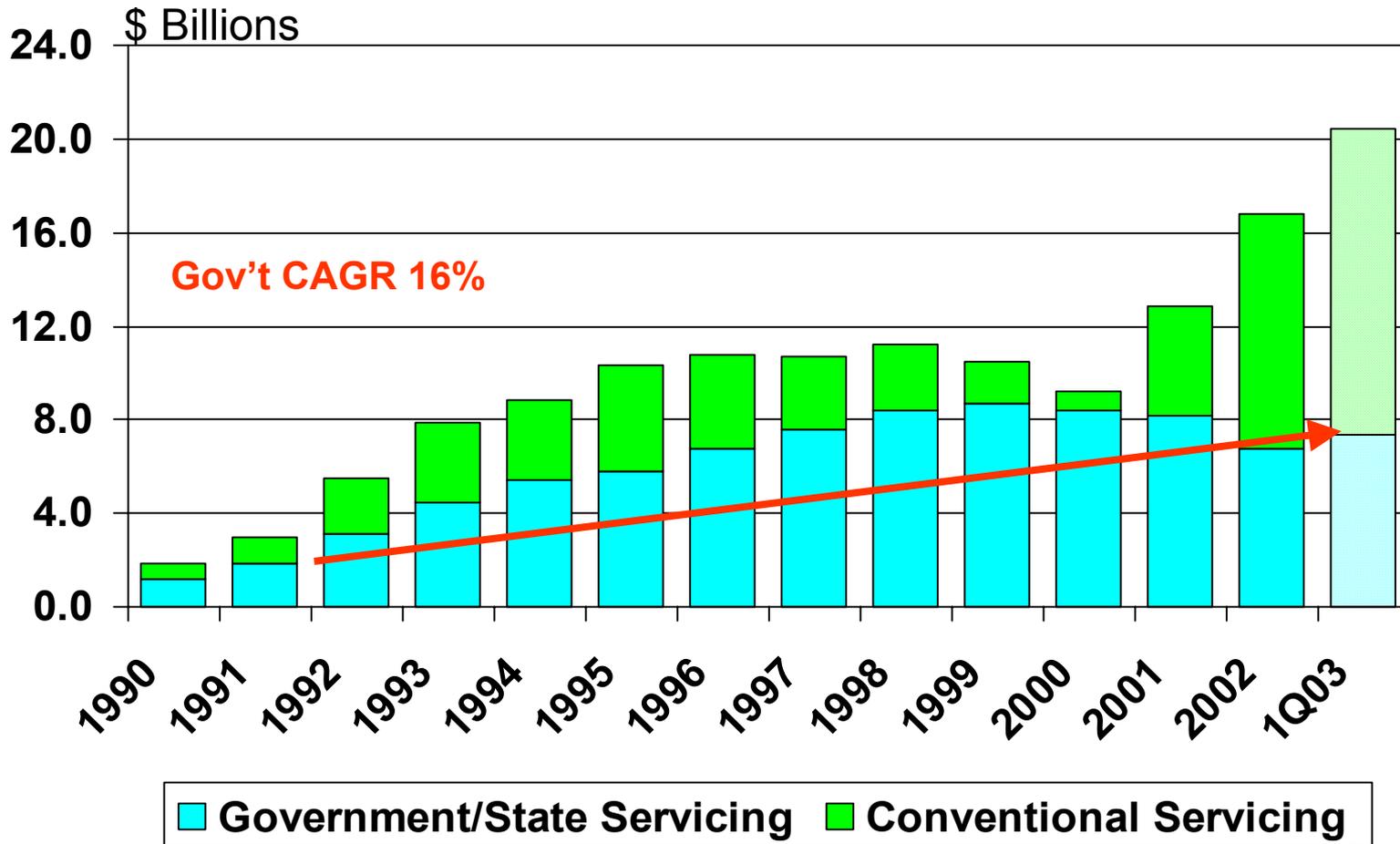
Mortgage Lending

- Non-Traditional Customer Segments
 - First time homebuyers
 - Production and servicing platforms tailored to needs of minority borrowers. As of 1Q03,
 - » 23rd largest originator overall, but
 - 14th largest originator to Hispanic community
 - 23rd largest originator to African American community
 - » 12th largest GNMA issuer
- New Correspondent Lending Channel
 - Serving small correspondents
 - 1Q03 originations \$1.1 billion
 - Greater operating leverage than retail or broker—easier to scale through interest rate changes

Mortgage Loan Originations

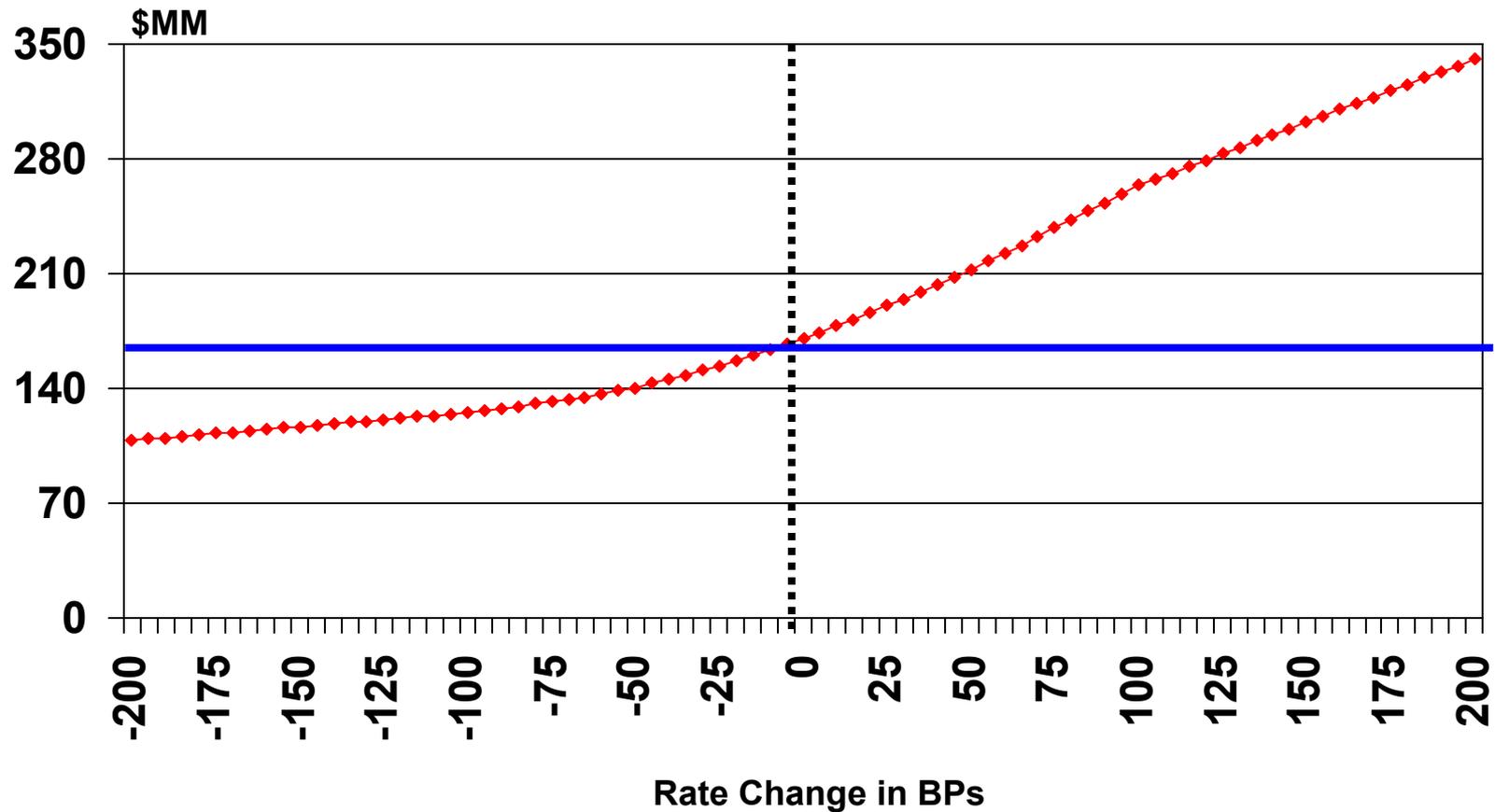


Servicing Portfolio



Mortgage Servicing Rights

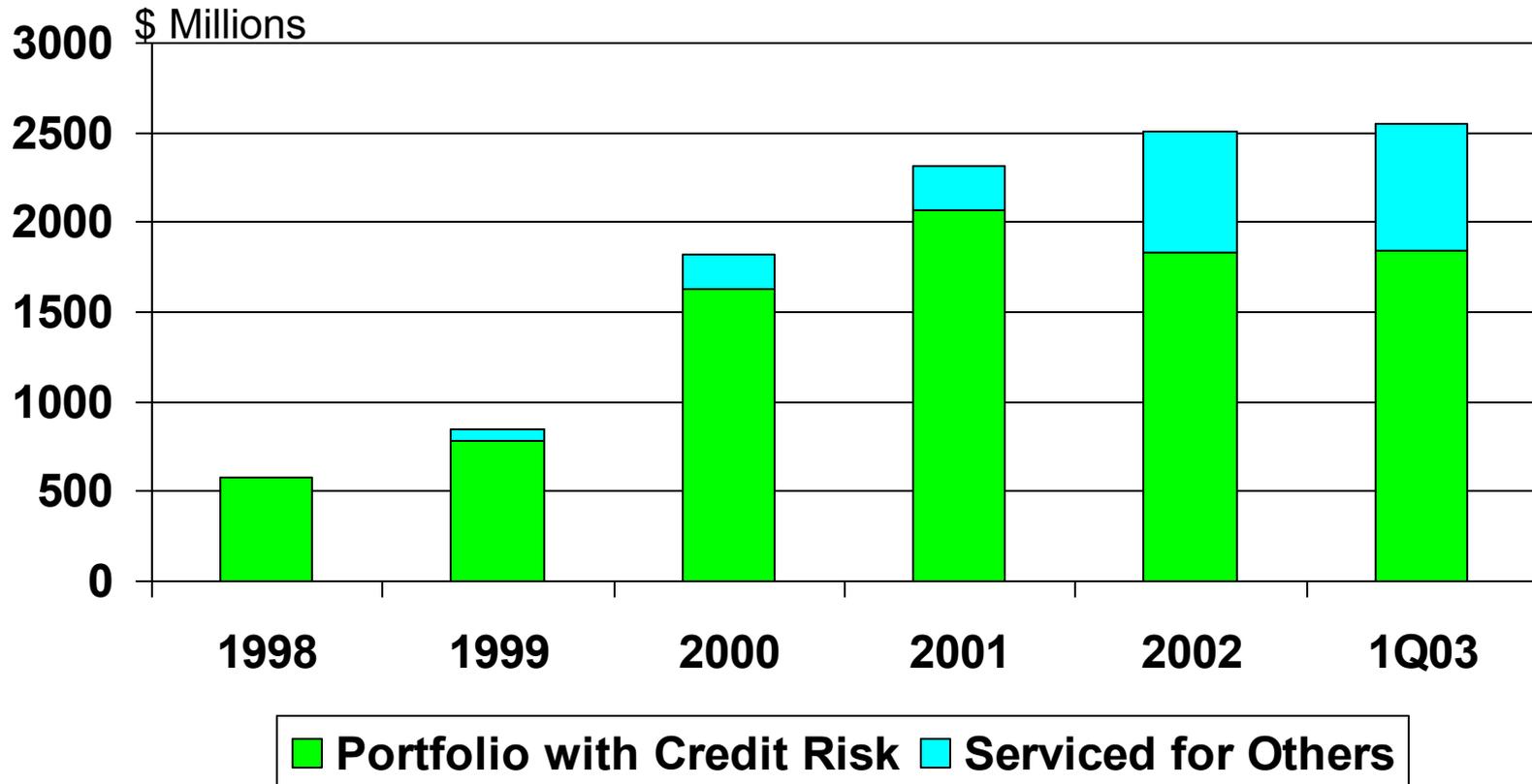
Unhedged Value Change



Home Equity Lending

- Hybrid unsecured lender and mortgage bank
 - HLTV for prime customers
 - Underwritten as unsecured credit
 - » We believe losses will be > 1st mortgages; < credit cards
- Niche strategy -- target creditworthy homeowners
 - Large, underserved market—potential larger with every 1st mortgage refinances
 - \$1.8 billion owned, managed portfolio at 03/31/03
 - Strong servicing function--"Above Average" ratings

Home Equity Loan Portfolio



Modified Credit Focus

- Response to economic weakness and rising losses in portfolio
- Modified underwriting profile in 4Q02. By 1Q03 achieved:
 - 10% increase in Avg. Disposable Income for HLTV customers
 - 10-20 point lift in Avg. FICO for HLTV borrowers
- Anticipate lower credit costs for 2003 and future vintages
 - Earlier vintages still experiencing higher loss rates—expect additional impairment commensurate with slow economic recovery

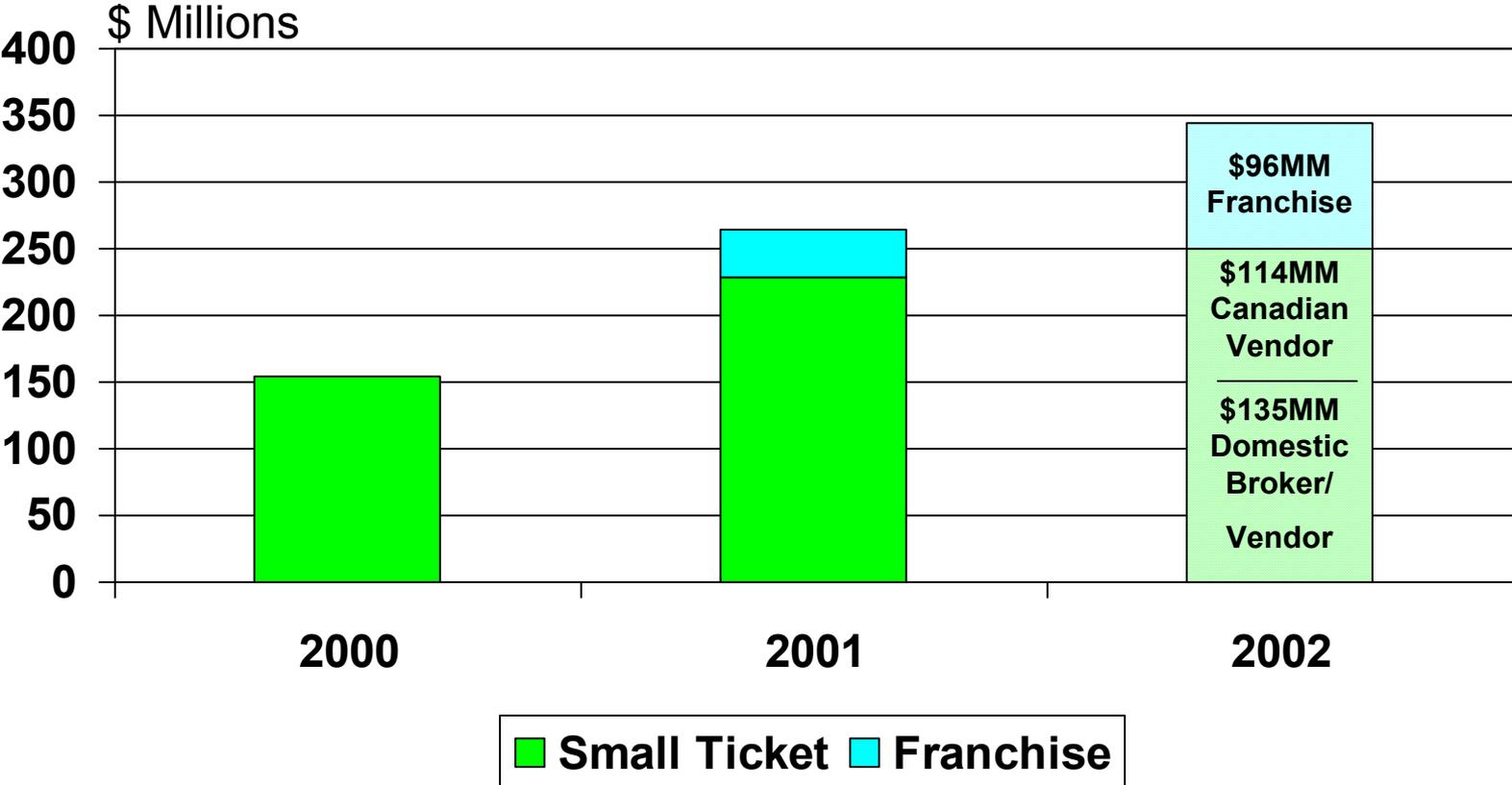
Home Equity Lending

- Eliminated use of securitization structures requiring gain-on-sale (GOS) accounting
 - Approximately 2-year transition process
 - No impact on cash flows or ultimate profitability of company
 - » Developing balance between portfolio and whole loan sales
- Performance of old “GOS” portfolio continues to be affected by the weak economy

Commercial Finance

- Vendor-based small ticket equipment leasing (full-payout) in US and Canada
- Quick Service Restaurant franchise leasehold improvement financing in US
- Market positioning based on service orientation rather than price
- Credit issues isolated in start-up broker portfolio—new broker production has been limited

Commercial Finance Portfolio Growth



Continuing Opportunities

Trend

- Formation of new business
- Banking consolidation

-
- Demographics and growth of 1st time homeowners

-
- Consolidating unsecured debt

Response

- Commercial Banking
- Commercial Finance

-
- First Mortgages

-
- Home Equity