

September 30, 2011

## Update From The President

I am pleased to continue to report that BSI's net income per share exceeds that of 2010's levels. Annualized earnings per share through September 30, 2011 amounted to \$6.27 compared with \$4.89 for the same period in 2010, an increase of \$1.38 per share or 28.2%. Thus far during 2011 stockholders have received cash dividends of \$0.85 per share, an increase of \$0.20 per share over the amount paid to date during 2010, a 30.8% increase.

Your board of directors recently increased BSI's stock redemption price from \$63.00 to \$66.00 per share. This is an indication of the board's confidence in BSI's improved performance and its ability to sustain that improvement going forward.

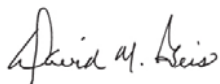
Your Company's capital and liquidity remain very strong, which is by design during these continuing economically challenging times. There are uncertainties on many fronts, all which lead to a lackluster economy which is keeping businesses and individuals on the sidelines and not currently borrowing. Capital goods are not being purchased and housing development and new home purchases are severely lagging more typical economic recoveries. While this may be the wise thing to do for businesses and consumers at this time, it is these factors that are contributing to the very slow growth in our economy and present challenges for many banks, including JCB.

There are limited acceptable investment alternatives to loans in this very low and extended interest rate cycle. Contrary to much of the rhetoric in our national press, banks have money to lend and are willing to lend it to qualified consumers and businesses and JCB has every motivation to consider any and all worthy loans. It has been an extremely advantageous time for homeowners to refinance their homes to lower their payments and shorten the remaining lives of their mortgages.

BSI's asset quality and loan loss allowance measures are beginning to show improvement. However, we remain guarded about the potential of the economy to retreat from its present tepid growth and the impact that could have, particularly on businesses in the foreseeable future. We continue to take a responsible approach in early recognition of struggling customers and attempt to offer solutions and arrangements that make good business sense for the customers and the bank.

As we enter the fourth and final quarter of 2011, we have expectations of continuing the achievement of improved performance through the end of the year. Your support and confidence are important to us as is your feedback at any time.

Sincerely,



David M. Geis  
President