

EXECUTIVE OFFICERS

James T. McCoy, Chairman of the Board

David M. Geis, President

Marvin S. Veatch, Vice President/Treasurer

Susan E. Haskett, Vice President/Secretary

LOCATIONS

- Seymour** 125 South Chestnut
Seymour, Indiana 47274
(812) 522-3607
- 1200 East Tipton Street
Seymour, Indiana 47274
(812) 522-3607
- 1181 West Tipton Street
Seymour, Indiana 47274
(812) 522-3607
- Brownstown** 108 West Commerce Street
Brownstown, Indiana 47220
(812) 358-2520
- Bedford** 2635 16th Street
Bedford, Indiana 47421
(812) 275-1120
- Columbus** 400 Washington Street
Columbus, Indiana 47201
(812) 379-1991
- 3880 West Jonathan Moore Pike
Columbus, Indiana 47201
(812) 342-3633
- 3019 East 25th Street
Columbus, Indiana 47203
(812) 378-0850
- North Vernon** 611 A North State Street
North Vernon, Indiana 47265
(812) 346-8014

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P.O. Box 1001
Seymour, Indiana 47274

 **Bancorp**
of Southern Indiana

PARENT COMPANY OF JACKSON COUNTY BANK
AND SUBSIDIARIES

Quarterly
Performance
Profile

September 30, 2013



Bancorp of Southern Indiana

Parent Company of Jackson County Bank and Subsidiaries

	For the nine months ending September 30,		For the year ending December 31,	
	2013	2012	2012	2011
Per Share Performance				
Net income (annualized)	\$7.27	\$8.50	\$8.17	\$6.89
Dividends	1.10	1.20	2.45	1.90
Book value	86.26	87.94	88.26	82.15
Balance Sheet (000's)				
Total assets	\$429,062	\$425,417	\$447,596	\$389,972
Total loans held-for-sale	660	1,775	1,462	1,795
Total loans	288,412	284,155	282,281	275,423
Total deposits	332,636	330,939	358,169	304,164
Total equity	39,088	40,357	40,461	38,164
Profitability				
Net interest margin (FTE)	3.33 %	3.72 %	3.61 %	3.73 %
Return on average assets	0.76	0.99	0.93	0.85
Return on average equity	8.32	9.96	9.50	8.64
Net interest income (000's)	\$9,528	\$9,789	\$12,996	\$13,038
Net income (000's)	2,468	2,924	3,753	3,251
Asset Quality				
Net charge-offs/average loans	1.18 %	0.03 %	0.07 %	0.53 %
Provision/average loans	0.46	0.07	0.19	0.47
Allowance/non-performing loans at period end	79.58	68.68	79.31	53.45
Non-performing assets/assets at period end	1.85	2.45	2.20	3.24
Capital Strength - Bank				
Tangible equity/assets at period end	9.67 %	9.72 %	9.20 %	10.03 %
Total risk-based capital ratio at period end	16.01	15.67	15.61	14.89

UPDATE FROM THE PRESIDENT

Through September 30, 2013, BSI's consolidated net income amounted to \$2,468,000 compared with \$2,924,000 for the same period in 2012. This represents comparative annualized consolidated earnings per share of \$7.27 versus \$8.50 respectively, a decline of \$1.23 or 14.5%.

Contributing factors to this current year earnings decline are lower net interest income and higher loan loss provision expense. BSI's net interest margin remains under pressure as a result of the sustained low interest rate environment and year-to-date tepid loan demand due to lack of confidence in the national economy and political environment. In addition, the increase in the provision for loan loss through September 30, 2013 is associated with a single loan relationship in which a portion of the provision expense was recognized in 2012 with the remainder during 2013. While this loan write-off is sizeable, a partial to full recovery is expected over the long-term. Partially offsetting these items is a modest 0.3% increase in non-interest income and a 2.5% decrease in noninterest expense.

Return on stockholders equity through nine months was 8.32% and compares with 9.96% through the same period in 2012.

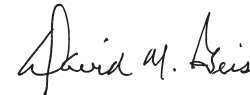
BSI's stock price now stands at \$75.00 per share based upon recent trades of which management is aware. This compares to \$72.00 at September 30, 2012, an increase of \$3.00 per share or 4.2%. BSI's book value per share at September 30, 2013, amounted to \$86.26. By all regulatory standards, BSI's wholly-owned subsidiary JCB, remains above "well-capitalized" levels.

BSI's assets at September 30, 2013 totaled \$429,062,000 compared with \$425,417,000 at September 30, 2012. Gross loans have grown to \$288,412,000 at September 2013 from \$284,155,000 at September 2012, an increase of \$4,257,000 or 1.5%.

On the whole, BSI's core consolidated performance is solid, considering the impact of the factors noted above. We are optimistic in JCB and BSI's opportunities going forward, with a gradually improving regional economy, a now robust pipeline of unfunded commercial loan activity that should add to BSI's earning asset base, and our demonstrated ability to control operating expenses.

Your investment in BSI is continuously appreciated and respected and we always welcome your questions and comments.

Sincerely,



David M. Geis
President