

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
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- 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 West 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
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 **Bancorp**
of Southern Indiana

PARENT COMPANY OF JACKSON COUNTY BANK
AND SUBSIDIARIES

Quarterly
Performance
Profile

March 31, 2014



Parent Company of Jackson County Bank and Subsidiaries

UPDATE FROM THE PRESIDENT

I am pleased to report that BSI's consolidated net income for the first quarter of 2014 amounted to \$941,000, an increase of \$63,000 or 7.2% over the first quarter of 2013.

The largest contributing factor leading to this year-over-year increase was that no loan loss provision expense was recorded during the first quarter, 2014 compared with \$375,000 during the first quarter of 2013. Factors partially offsetting this favorable outcome included a slight decline in net interest income, a decrease in non-interest income from lower mortgage refinance activity which was expected, and a very modest increase in non-interest expense. BSI's first quarter annualized Return on Equity was 9.34%, compared with 8.81% for the first quarter, 2013.

BSI's balance sheet was stable period to period, ending the quarter at \$445.5 million in total assets. Notable was the increase in gross loan balances from the end of March, 2013 to the end of March, 2014 of \$8.1 million to \$290.3 million. Total stockholders equity grew approximately \$1.0 million to \$41.5 million at March 31, 2014.

The gradually improving economy is contributing to an improving business loan pipeline. The harsh winter restricted activity in new home construction and home purchasing, leading to lower than expected residential loan activity. With improving weather conditions, we anticipate this trend to reverse itself during the spring and summer months.

BSI's stock price currently stands at \$75.00 per share based upon recent trades of which management is aware.

This compares to \$74.00 per share at March 31, 2013. BSI's book value per share at March 31, 2014, amounted to \$91.84. By all regulatory standards BSI's wholly-owned subsidiary, JCB, remains above "well-capitalized" standards.

Your investment in BSI is valued and appreciated as are your comments and questions at any time.

Sincerely,

David M. Geis
President

	For the three months ending March 31,		For the year ending December 31,	
	2014	2013	2013	2012
Per Share Performance				
Net income (annualized)	\$8.43	\$7.82	\$7.74	\$8.17
Dividends	0.00	0.00	2.50	2.45
Book value	91.84	89.41	87.53	88.26
Balance Sheet (000's)				
Total assets	\$445,477	\$445,770	\$440,850	\$447,596
Total loans held-for-sale	117	289	530	1,462
Total loans	290,350	282,222	292,194	282,281
Total deposits	340,985	353,621	338,627	358,169
Total equity	41,545	40,561	39,661	40,461
Profitability				
Net interest margin (FTE)	3.33 %	3.25 %	3.33 %	3.61 %
Return on average assets	0.86	0.80	0.81	0.93
Return on average equity	9.34	8.81	8.86	9.50
Net interest income (000's)	\$3,115	\$3,155	\$12,628	\$12,996
Net income (000's)	941	878	3,512	3,753
Asset Quality				
Net charge-offs/average loans	0.05 %	(0.09) %	0.87 %	0.07 %
Provision/average loans	0.00	0.54	0.32	0.19
Allowance/non-performing loans at period end	59.18	72.21	81.45	79.31
Non-performing assets/assets at period end	2.01	2.47	1.74	2.20
Capital Strength - Bank				
Tangible equity/assets at period end	9.87 %	9.34 %	9.53 %	9.20 %
Total risk-based capital ratio at period end	16.85	15.95	16.01	15.61