

## 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 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  
(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, 2015



# 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,	
	2015	2014	2014	2013
<b>Per Share Performance</b>				
Net income (annualized)	\$7.61	\$9.31	\$8.29	\$7.74
Dividends	1.30	1.30	2.80	2.50
Book value	102.77	97.71	97.57	87.53
<b>Balance Sheet (000's)</b>				
Total assets	\$487,996	\$440,596	\$454,881	\$440,850
Total loans held-for-sale	360	534	978	530
Total loans	299,460	289,355	295,137	292,194
Total deposits	363,223	338,004	355,000	338,627
Total equity	46,489	44,200	44,137	39,661
<b>Profitability</b>				
Net interest margin (FTE)	2.82 %	3.19 %	3.16 %	3.33 %
Return on average assets	0.71	0.95	0.84	0.81
Return on average equity	7.58	9.97	8.78	8.86
Net interest income (000's)	\$8,824	\$9,028	\$12,021	\$12,628
Net income (000's)	2,574	3,152	3,751	3,512
<b>Asset Quality</b>				
Net charge-offs/average loans	0.00 %	0.06 %	0.06 %	0.87 %
Provision/average loans	0.02	(.10)	(.05)	0.32
Allowance/non-performing loans at period end	38.46	76.79	62.02	81.45
Non-performing assets/assets at period end	2.21	1.73	1.83	1.74
<b>Capital Strength - Bank</b>				
Tangible equity/assets at period end	9.48 %	10.35 %	9.81 %	9.53 %
Common Equity Tier 1 Risk-based Capital Ratio	14.73	N/A*	N/A*	N/A*
Total Risk-based Capital Ratio	15.54	N/A*	N/A*	N/A*

\* - New BASEL III capital guidelines effective January, 1, 2015 were not in effect during these time periods.

## UPDATE FROM THE PRESIDENT

Consolidated net earnings of BSI through September 30, 2015, amounted to \$2,574,000 compared with \$3,152,000 for the same period in 2014. The decrease in earnings can be attributed to the combination of a continuing net interest income compression due to the sustained low interest rate environment resulting in a \$204,000 year-over-year decrease, a \$350,000 change in loan loss provision expense, and a decrease in noninterest income of \$297,000. The latter is primarily attributable to a \$472,000 non-recurring vendor recovery realized during 2014. Total noninterest expense increased a very modest \$19,000 for the same comparative periods. Annualized earnings per share through the first nine months of 2015 amounted to \$7.61 compared with \$9.31 during the same period in 2014.

Asset quality during 2015 has been stable and loan losses have been nominal, leading to a modest loan loss provision expense of \$50,000. However, this compares with a provision expense recovery of \$300,000 to date during 2014, resulting in the \$350,000 change noted above.

A strong pipeline of unfunded commercial loans continues to be our favorable prospect for improving earnings as early as in the fourth quarter.

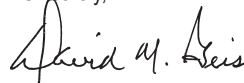
I am pleased to announce that JCB recently acquired two high profile adjacent properties to build a new full-service banking center on the periphery of the new Kroger Marketplace currently under development on National Road and Central Avenue in Columbus, Indiana. Our new facility will replace our long-established Clover Center branch and will now provide on-site parking, multiple drive-up banking lanes and plenty of office space for customers to be served. Demolition of existing buildings and construction of the new banking center is expected to begin this winter.

BSI's total assets at September 30, 2015, increased to \$487,996,000, an increase of \$47,400,000 or 10.8% over the September 30, 2014, asset level of \$440,596,000. The increase was primarily in deposits and short-term borrowings in the form of commercial customers' repurchase agreements.

BSI's stock price at September 30, 2015, was \$96 per share based upon recent trades of which management is aware. This compares to \$79 per share at September 30, 2014. BSI's book value per share at September 30, 2015, amounted to \$102.77. By all regulatory standards, JCB, BSI's wholly-owned subsidiary, remains above "well-capitalized" standards as of September 30, 2015, in accordance with the new BASEL III capital guidelines that were effective beginning January 1, 2015.

We always welcome your comments and questions and appreciate your business and investment in BSI.

Sincerely,



David M. Geis  
President