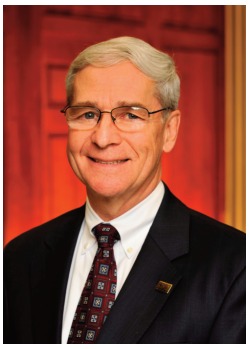
Jeffersonville Bancorp


Kenneth C. Klein


Wayne V. Zanetti

2015 – 3rd Quarter

For the quarter ended September 30, 2015, the Company earned net income of $1,078,000 or $0.25 per share compared to $1,218,000 or $0.29 per share for the same quarter in 2014. The decrease in quarterly net income was primarily due to an increase in salary and employee benefit expense of $158,000 and foreclosed real estate expense of $152,000, partially offset by a decrease in income tax expense of $128,000 and occupancy expense of $68,000.

Year to date net income as of September 30, 2015 was $3,537,000 or $0.84 per share compared to $3,807,000 or $0.90 per share for the same quarter in 2014. The decrease in year to date net income was primarily due to an increase of $410,000 in salary and employee benefit expense, a $229,000 increase in foreclosed real estate expense and an increase in occupancy expense of $90,000, partially offset by a decrease of $300,000 in provision for loan losses and a decrease in income tax expense of $154,000.

Global economic conditions continue to drive the interest rate environment in the United States. The Federal Reserve has recently been forced to concede that their plans to raise interest rates in 2015 may be in jeopardy due to economic malaise in China and the European Union. As a result, interest rates are near recent lows and interest margins at most financial institutions remain under pressure. The Company's net interest income continues to be resilient and as stated last quarter, the decrease in year to date net income is mainly due to pension costs caused by the low rate environment and occupancy expenses caused by harsh winter weather in the beginning of the year. Increases in foreclosed real estate expense have been offset by a decrease in provision for loan losses, a trend that may continue as foreclosures that have been through a lengthy process necessitated by strict regulations make their way through the system. On the positive side, credit quality in the Company's loan portfolio continues to improve, reducing the likelihood of any significant loan loss provision in the near future.

Progress on the state approved Montreign Casino Resort, along with several other significant but unrelated development projects, is starting to produce more robust economic activity in Sullivan County. The Company's subsidiary, Jeff Bank, is preparing to capitalize on the opportunities provided by the economic development that is expected to result from the casino. The Bank purchased a property in the vicinity of the casino last year and renovation of the building and property into a state of the art banking office will be well under way by the end of this year. A grand opening is expected by the summer of 2016.

Jeff Bank is in the process of upgrading its debit cards to the new chip technology which helps to thwart fraudulent activity. The responsive website we launched in June of this year has been well received and has improved the Bank's search engine priority, making it easier for us to reach new customers. Our mobile banking app, with its "remote deposit anywhere" feature, continues to increase in usage. Combined with our twelve physical locations, our extensive ATM network, telephone and online banking, Jeff Bank provides unparalleled convenience for banking in Sullivan County.

Jeff Bank is committed to the communities we serve. Besides the financial contributions we make to a host of local organizations and causes, our dedicated staff members make valuable contributions of their talent and time to civic and charitable organizations throughout Sullivan County. At Jeff Bank, we appreciate the support we receive from our customers, employees and stockholders who live and work in the communities we serve. With that support, we will strive to provide the exceptional service our customers expect and continue to thrive as the only independent community bank headquartered in Sullivan County.

Wayne V. Zanetti
President/Chief Executive Officer

Kenneth C. Klein
Chairman of the Board

Jeffersonville Bancorp and Subsidiary
Consolidated Balance Sheets
(In thousands, except share and per share data)

	September 30, 2015	December 31, 2014
Assets		
Cash and cash equivalents	$ 55,826	$ 21,491
Securities available for sale, at fair value	97,552	104,801
Securities held to maturity, estimated fair value of $17,456 at September 30, 2015 and $7,489 at December 31, 2014	17,095	7,208
Loans, net of allowance for loan losses of $4,130 at September 30, 2015 and $4,353 at December 31, 2014	268,651	273,338
Accrued interest receivable	2,068	1,877
Bank-owned life insurance	17,298	16,996
Foreclosed real estate	1,881	1,680
Premises and equipment, net	5,975	6,160
Restricted investments	566	568
Other assets	5,359	6,100
Total Assets	$ 472,271	$ 440,219
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	$ 109,858	$ 89,321
NOW and super NOW accounts	57,616	52,628
Savings and insured money market deposits	130,587	120,406
Time deposits	108,301	114,136
Total Deposits	406,362	376,491
Other liabilities	7,793	7,593
Total Liabilities	414,155	384,084
Stockholders' equity		
Series A preferred stock, no par value; 2,000,000 shares authorized, none issued	—	—
Common stock, $0.50 par value; 11,250,000 shares authorized, 4,767,786 shares issued with 4,234,505 outstanding	2,384	2,384
Paid-in capital	6,483	6,483
Treasury stock, at cost; 533,281 shares	(4,965)	(4,965)
Retained earnings	55,949	54,191
Accumulated other comprehensive loss	(1,735)	(1,958)
Total Stockholders' Equity	58,116	56,135
Total Liabilities and Stockholders' Equity	$ 472,271	$ 440,219

This does not represent complete financial statements. Complete financial statements may be found at *www.jeffbank.com*

Jeffersonville Bancorp and Subsidiary
Consolidated Statements of Income
(In thousands, except per share data)

For the Three Months Ended September 30,	2015	2014
Interest and Dividend Income		
Loan interest and fees	$ 3,651	$ 3,755
Securities:		
Taxable	191	194
Tax-exempt	608	574
Other interest and dividend income	23	17
Total Interest and Dividend Income	4,473	4,540
Interest Expense on Deposits	247	278
Net interest income	4,226	4,262
Provision for loan losses	—	100
Net Interest Income after Provision for Loan Losses	4,226	4,162
Non-Interest Income		
Service charges	324	358
Fee income	337	290
Earnings on bank-owned life insurance	94	104
Net gain on sales of securities	—	—
Other non-interest income	60	67
Total Non-Interest Income	815	819
Non-Interest Expense		
Salaries and employee benefits	2,158	2,000
Occupancy and equipment expenses	416	484
Foreclosed real estate expense, net	279	127
Other non-interest expenses	790	804
Total Non-Interest Expenses	3,743	3,415
Income before income tax expense	1,298	1,566
Income tax expense	220	348
Net Income	$ 1,078	$ 1,218
Basic earnings per common share	$ 0.25	$ 0.29
Average common shares outstanding	4,235	4,235
Cash dividends declared per share	$ 0.14	$ 0.13

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Jeffersonville Bancorp and Subsidiary
Consolidated Statements of Income
(In thousands, except per share data)

For the Nine Months Ended September 30,	2015	2014
Interest and Dividend Income		
Loan interest and fees	$ 11,075	$ 11,136
Securities:		
Taxable	666	778
Tax-exempt	1,729	1,727
Other interest and dividend income	59	49
Total Interest and Dividend Income	13,529	13,690
Interest Expense on Deposits	753	839
Net interest income	12,776	12,851
Provision for loan losses	—	300
Net Interest Income after Provision for Loan Losses	12,776	12,551
Non-Interest Income		
Service charges	976	1,010
Fee income	940	847
Earnings on bank-owned life insurance	302	313
Net gain on sales of securities	21	65
Other non-interest income	180	160
Total Non-Interest Income	2,419	2,395
Non-Interest Expense		
Salaries and employee benefits	6,442	6,032
Occupancy and equipment expenses	1,528	1,438
Foreclosed real estate expense, net	383	154
Other non-interest expenses	2,411	2,467
Total Non-Interest Expenses	10,764	10,091
Income before income tax expense	4,431	4,855
Income tax expense	894	1,048
Net Income	$ 3,537	$ 3,807
Basic earnings per common share	$ 0.84	$ 0.90
Average common shares outstanding	4,235	4,235
Cash dividends declared per share	$ 0.42	$ 0.39

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