

October 14, 2014

Dear Shareholder,

I am pleased to report that the Board of Directors declared the enclosed dividend of \$0.27 per share on September 9, 2014 for holders of record as of September 30, 2014. This quarterly dividend reflects an increase of 38.5% from the October 2013 payment.

The Company's earnings through September 30, 2014 were \$12.3 million, or \$3.45 per share, an increase of \$0.08, or 2.5% per share, from the first nine months of 2013. Net interest income increased \$1.8 million as earning assets rose 8.9% while net interest margin declined slightly to 3.94% on a tax equivalent basis. Non-interest income fell \$1.4 million as secondary mortgage lending volumes slowed in the 2014 period. Non-interest operating expenses rose 8.2% through the first nine months of 2014, in line with the 8.3% growth rate in total assets. Credit conditions have remained favorable in 2014 and with net charge-offs of just 0.02%, the provision for loan and lease losses declined to \$1.2 million for the first nine months of 2014 from \$2.8 million the prior year.

As of September 30, 2014 total portfolio loans had increased to \$955.8 million, deposits to \$993.5 million and total assets stood at \$1.26 billion. On November 14th we expect to close on the BMO Harris Bank branch acquisition which will increase our market presence in Logansport, Marion and Terre Haute and establish a new presence in the markets of Brazil, Clay City, Farmersburg and Sullivan, Indiana. On October 1st we announced an agreement to acquire three commonly owned banks in Illinois with total assets of approximately \$165 million. As a result of that transaction we will establish a presence in Chrisman, Danville, Oakwood and Hoopeston, Illinois, building on our presence in Coles and Edgar counties. Subject to regulatory approvals we expect the transaction to close in the first quarter of 2015. We are excited about the opportunity to bring our commitment to community banking to these complementary markets in the coming months.

As always, we appreciate your business and support.

A handwritten signature in cursive script, appearing to read "Gene Miles".

Gene Miles
President & CEO