



Kenneth C. Klein



Wayne V. Zanetti

## 2015 – 1<sup>st</sup> Quarter

For the quarter ended March 31, 2015, the Company earned net income of \$1,176,000 or \$0.28 per share compared to \$1,312,000 or \$0.31 per share for the same quarter in 2014. The decrease in quarterly net income was primarily due to an increase in non-interest expense of \$336,000 partially offset by decreases in the provision for loan loss of \$100,000 and income tax expense of \$48,000.

The Company continues to perform well in a challenging economic and business climate as evidenced by our inclusion in American Banker's Top 200 Community Banks in the United States based on return on average equity over the past three years. Our financial performance is the result of our commitment to controlled, profitable growth and our conservative approach to business. By focusing on our strength as a local, independent community bank providing excellent service to our customers and supporting our local communities, we have been able to thrive while our competition has struggled. We intend to continue on our current path to provide meaningful returns for our shareholders, stability for our employees and to support the communities in which we operate.

In March, we held our seventh annual bank-wide meeting, where the Sullivan Pride Committee's "Proud to be Sullivan" campaign was the central theme. Employee teams representing each community where we have a branch created a narrative and photographic presentation celebrating the scenic, cultural and business attributes of the area. The presentations were well received by the Committee and will be displayed in our branch offices where they will be updated periodically to reflect current developments. The meeting was well attended by the Board of Directors, who expressed their appreciation for the hard work and dedication shown by the employees. Years of Service Awards, in the form of shares of Jeff Bank stock, were presented to 17 employees with years of service ranging from 5 to 30 years. We believe stock awards reinforce the employee's commitment to the Bank's profitability while recognizing their past contributions and loyalty.

Also highlighted at this year's meeting, at the conclusion of his address to the employees and directors, President and Chief Executive Officer Wayne Zanetti introduced Executive Vice President and Senior Lending Officer George Kinne, Jr., who will succeed Wayne when he retires at the end of 2015. Mr. Kinne expressed his desire to build on the Company's accomplishments during Mr. Zanetti's tenure while exploring new opportunities and navigating inevitable changes in the future. As we transition to new leadership in the coming months, we at Jeff Bank look forward to continued success that will ensure we remain an independent, community bank and a valued member of the communities we serve.

A handwritten signature in orange ink, appearing to read 'K. Klein'.

Kenneth C. Klein  
Chairman of the Board

A handwritten signature in orange ink, appearing to read 'Wayne V. Zanetti'.

Wayne V. Zanetti  
President/Chief Executive Officer

**Jeffersonville Bancorp and Subsidiary****Consolidated Balance Sheets**

(In thousands, except share and per share data)

	March 31, 2015	December 31, 2014
<b>Assets</b>		
Cash and cash equivalents	\$ 54,413	\$ 21,491
Securities available for sale, at fair value	101,626	104,801
Securities held to maturity, estimated fair value of \$8,072 at March 31, 2015 and \$7,489 at December 31, 2014	7,759	7,208
Loans, net of allowance for loan losses of \$4,145 at March 31, 2015 and \$4,353 at December 31, 2014	273,264	273,338
Accrued interest receivable	2,150	1,877
Bank-owned life insurance	17,100	16,996
Foreclosed real estate	1,765	1,680
Premises and equipment, net	6,117	6,160
Restricted investments	568	568
Other assets	5,728	6,100
Total Assets	<u>\$ 470,490</u>	<u>\$ 440,219</u>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	\$ 96,417	\$ 89,321
NOW and super NOW accounts	69,858	52,628
Savings and insured money market deposits	122,346	120,406
Time deposits	117,006	114,136
Total Deposits	405,627	376,491
Other liabilities	7,774	7,593
Total Liabilities	<u>413,401</u>	<u>384,084</u>
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	54,774	54,191
Accumulated other comprehensive loss	(1,587)	(1,958)
Total Stockholders' Equity	<u>57,089</u>	<u>56,135</u>
Total Liabilities and Stockholders' Equity	<u>\$ 470,490</u>	<u>\$ 440,219</u>

This does not represent complete financial statements. Complete financial statements may be found at [www.jeffbank.com](http://www.jeffbank.com)

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

For the Three Months Ended March 31,	2015	2014
<b>Interest and Dividend Income</b>		
Loan interest and fees	\$ 3,735	\$ 3,703
Securities:		
Taxable	216	245
Tax-exempt	567	598
Other interest and dividend income	11	12
Total Interest and Dividend Income	<u>4,529</u>	<u>4,558</u>
<b>Interest Expense on Deposits</b>	<u>259</u>	<u>284</u>
Net interest income	4,270	4,274
Provision for loan losses	—	100
Net Interest Income after Provision for Loan Losses	<u>4,270</u>	<u>4,174</u>
<b>Non-Interest Income</b>		
Service charges	319	317
Fee income	276	266
Earnings on bank-owned life insurance	104	101
Net gain on sales of securities	21	—
Other non-interest income	53	33
Total Non-Interest Income	<u>773</u>	<u>717</u>
<b>Non-Interest Expense</b>		
Salaries and employee benefits	2,114	1,881
Occupancy and equipment expenses	466	469
Foreclosed real estate expense, net	70	23
Other non-interest expenses	906	847
Total Non-Interest Expenses	<u>3,556</u>	<u>3,220</u>
Income before income tax expense	1,487	1,671
Income tax expense	311	359
Net Income	<u>\$ 1,176</u>	<u>\$ 1,312</u>
Basic earnings per common share	<u>\$ 0.28</u>	<u>\$ 0.31</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.14</u>	<u>\$ 0.13</u>

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