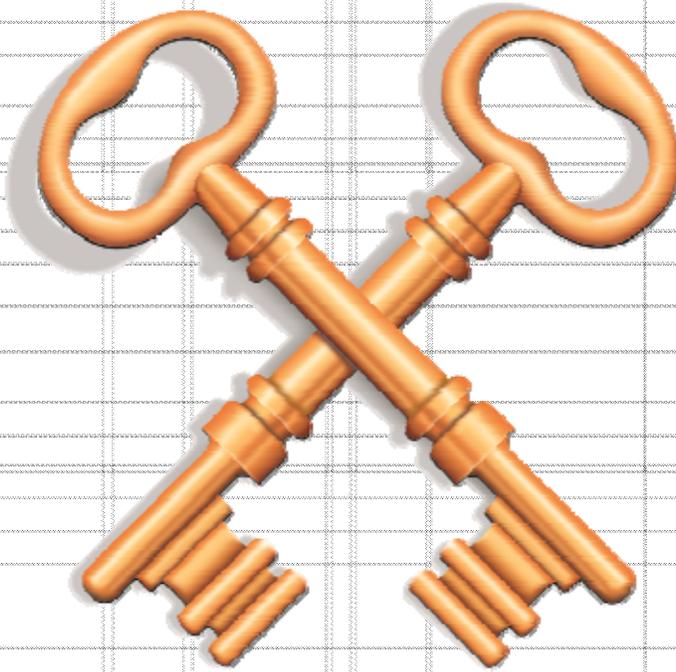


*BSJ Bancshares, Inc.*

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&  
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**Cross Keys Bank**

**Founded 1902**

***Member FDIC***

# MESSAGE TO OUR SHAREHOLDERS AND CUSTOMERS

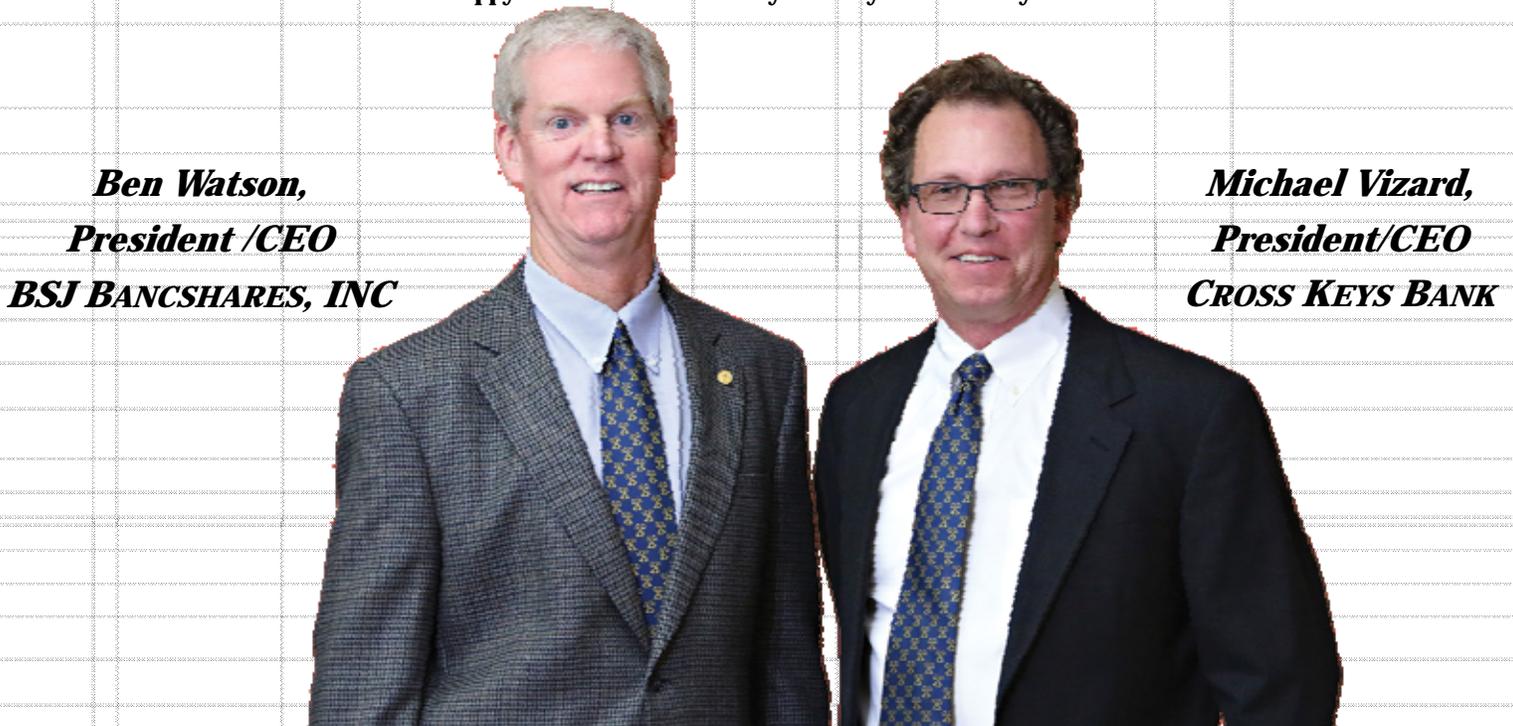
While our Country and our industry have faced great challenges this past year, and the sting of human tragedy has touched us all, we take time to reflect and count our many blessings. Additionally, we ask your prayers for those less fortunate and in need of assistance. Whether it be Hurricane Sandy or the tragedy at Sandy Hook, we are reminded of just how fragile humanity can be, and at the very same time the greatness of the human spirit to persevere. For that, we are so very thankful!

While our Country continues to experience an unprecedented period of economic weakness, your bank completed its 110th year of operation with after tax income of \$3,072,549 and total assets of \$312,300,396. Decline in net interest margin and pro-active increases to provisions for potential bad debts resulted in a reduction of net income after tax as compared 2011. With fewer shares outstanding at year-end, our earnings per share was \$8.94 for the year. We actually completed two very important objectives in 2012 that we believe positions the bank well for the future. In the first half of the year we converted our data processing systems to Financial Institution Service Corporation, headquartered in our own backyard of West Monroe. This allows us to serve our customers with the latest and greatest technologies. During the second half of the year we completed a re-positioning of the holding company, BSJ Bancshares, Inc., to allow us to qualify for Subchapter S status for federal income tax purposes. Going forward, distributions may be made in lieu of dividends as a result of the conversion, and over time we expect this new structure to maximize the value of our shareholders' investment in the company.

We continue to look for opportunities while monitoring capital needs, taxation and monetary policy as well as prepare for the myriad of rules stemming from so called regulatory reforms (Dodd-Frank Wall Street Reform and Consumer Protection Act) and ObamaCare. In a recent survey by the Independent Community Bankers Association of America, over 37% of community bankers suggest that the biggest overall challenge in 2013 will be preparing or complying with regulations. 29.7% cite increasing margins or earnings and 18.1 % believe increasing loan demand to be among the biggest challenges we face. Your bank remains Safe & Sound and, as 2013 will present many challenges for our industry, we remain prepared to act in the best interest of our customers, shareholders and employees.

Every year we ask that you include in your New Year's resolution a commitment to move all your business to Cross Keys Bank. We have the best and friendliest employees coupled with great technology here to assist you. If you haven't yet done so, now is the time to act. Come to Cross Keys Bank to satisfy all of your banking, insurance and investment needs just as soon as you finish reading this. Beverly Joiner and our mortgage loan department is the very best our industry has to offer when it comes to financing your home purchase or refinance needs. We have an incredible Agri-business lending team serving Northeast La led by our Senior VP, Walter Hillman in Richland Parish with Mike Thompson in Tensas Parish and Jeremy Rodden and Pam Essex in Madison Parish ready to help you with any of your land, crop and agribusiness financing needs. In Ouachita Parish and beyond, Adam Richardson, Wayne Fleming, Chris Fuller, Laura McCullin and Laura Crowder along with our web based cash management resources, are ready to assist with your business and commercial financing needs. Don't forget our virtual bank at [www.CrossKeysBank.com](http://www.CrossKeysBank.com). Yes, you can apply online for your new account, and mobile banking allows you convenient access from a smart phone. Download your CKB Mobile banking app today!

Happy New Year! We wish you and yours a Lucky 13.



***Ben Watson,***  
***President /CEO***  
***BSJ BANCSHARES, INC***

***Michael Vizard,***  
***President/CEO***  
***CROSS KEYS BANK***

## 9 Locations To Serve You

### St. Joseph

307 Plank Road,  
St. Joseph, LA 71366  
888-766-3246

### Monroe

1401 Hudson Lane,  
Monroe, LA 71201  
318-361-9500

### West Monroe

400 McMillan Road  
West Monroe, LA 71291  
318-362-0023

### Sterlington

167 Keystone Road  
Sterlington, LA 71280  
318-665-4511

### Rayville

1913 Julia St.  
Rayville, LA 71269  
318-728-6380

### Tallulah

115 N. Chestnut  
Tallulah, LA 71282  
318-574-3210

### Waterproof (Drive Up)

423 Main St.  
Waterproof, LA 71375  
318-749-3276

### Newellton ATM

3144 Highway 65  
Newellton, LA 71357

### Cypress Street

**Administrative Office**  
3101 Cypress St, Suite 1  
West Monroe, LA 71291  
318-340-6274

[www.crosskeysbank.com](http://www.crosskeysbank.com)



# Cross Keys Bank

## 2012 Board of Directors of BSJ Bancshares, Inc.

**William W. Watson, *Chairman***  
**Philip Watson**  
**Rebecca Vizard**  
**Benjamin M. Watson**  
**Scott Watson**  
**Harry Truman Goldman, III**

## 2012 Board of Directors of Cross Keys Bank

**William W. Watson, *Chairman***

<b>Jack M. Grace Jr., <i>Retired Banker</i></b>	<b>Michael R. Vizard, <i>Banker</i></b>
<b>Paul Meeks, <i>Manufacturer</i></b>	<b>Benjamin M. Watson, <i>Banker</i></b>
<b>E.D. Shaw, III, <i>Businessman</i></b>	<b>William Brooks Watson, <i>Attorney</i></b>
<b>Charles I. Tucker, <i>Planter</i></b>	<b>Darrell VandeVen, <i>Planter</i></b>
<b>Jan Bagwell Johnston, <i>DDS</i></b>	<b>Shane Bridges, <i>Banker</i></b>

## 2012 Cross Keys Bank Officers

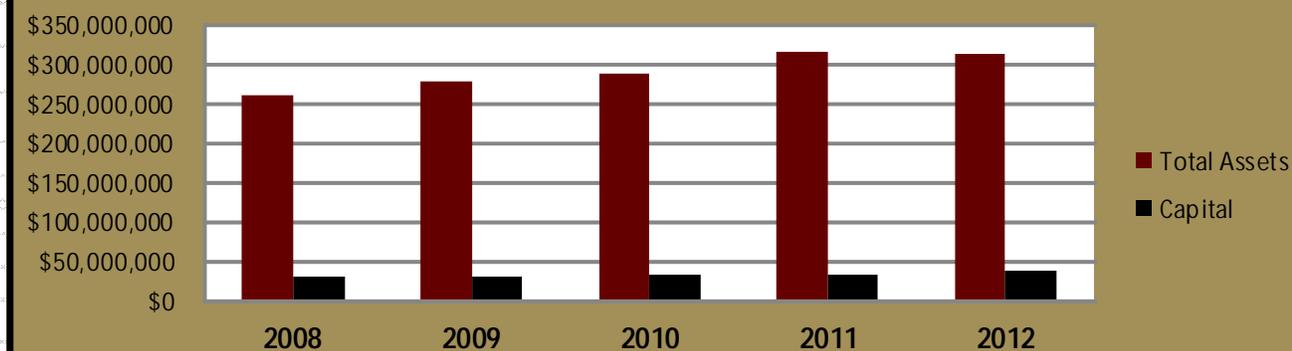
**Michael R. Vizard, *President & Chief Executive Officer (CEO)***  
**Benjamin M. Watson, *Executive Vice President & Chief Financial Officer (CFO)***  
**Shane Bridges, *Executive Vice President & Chief Credit Officer (CCO)***  
**Mandy Smart, *Senior Vice President & Chief Operations Officer (COO)***

**James J. Cuthbert, III, *Senior Vice President, Marketing, CRA Officer***  
**Wayne Fleming, *Senior Vice President, Lending, West Monroe***  
**Chris Fuller, *Senior Vice President, Lending, Branch Manager Monroe***  
**Walter Hillman, *Senior Vice President, Agricultural Lending, Rayville***  
**Beverly Joiner, *Senior Vice President, Mortgage Lending***  
**Adam Richardson, *Senior Vice President, Commercial Lending, West Monroe***  
**Linda Bacle, *Vice President, Credit Analyst & Loan Review***  
**Samuel C. Feldhaus, *Vice President, Sr. IT Officer & Information Security Officer***  
**Linda Keahey, *Vice President, Cashier***  
**Chad Monsour, *Vice President, Cross Keys Insurance***  
**Mike Thompson, *Vice President, Assistant CFO, Senior HR Officer, Branch Manager, St. Joseph***  
**William Brooks Watson, *Vice President, Legal Counsel***  
**Babbette Adcock, *Hudson Lane Leasing & Properties Manager***  
**Steve Bonnette, *Assistant Vice President, St. Joseph***  
**Laura Crowder, *Assistant Vice President, Branch Manager, West Monroe***  
**Shelly Harrell, *Assistant Vice President, Executive Administrative Assistant***  
**Rochelle Lee, *Assistant Vice President, Branch Manager, University***  
**Laura McCullin, *Assistant Vice President, Branch Manager, Sterlington***  
**Kristen VandeVen, *Assistant Vice President & Electronic (E) Banking Officer***  
**Veronica Plaisance, *Assistant Vice President, Board Secretary, Lending***  
**Tracey Robinson, *Assistant Vice President, Mortgage Lending***  
**Jeremy Rodden, *Assistant Vice President, Branch Manager, Tallulah***  
**Alissa Russell, *Sales & Marketing, Training Coordinator***  
**Megan Smith, *Assistant Vice President, BSA, OFAC and Bank Security Officer***

# COMPARATIVE STATEMENT OF CONDITION

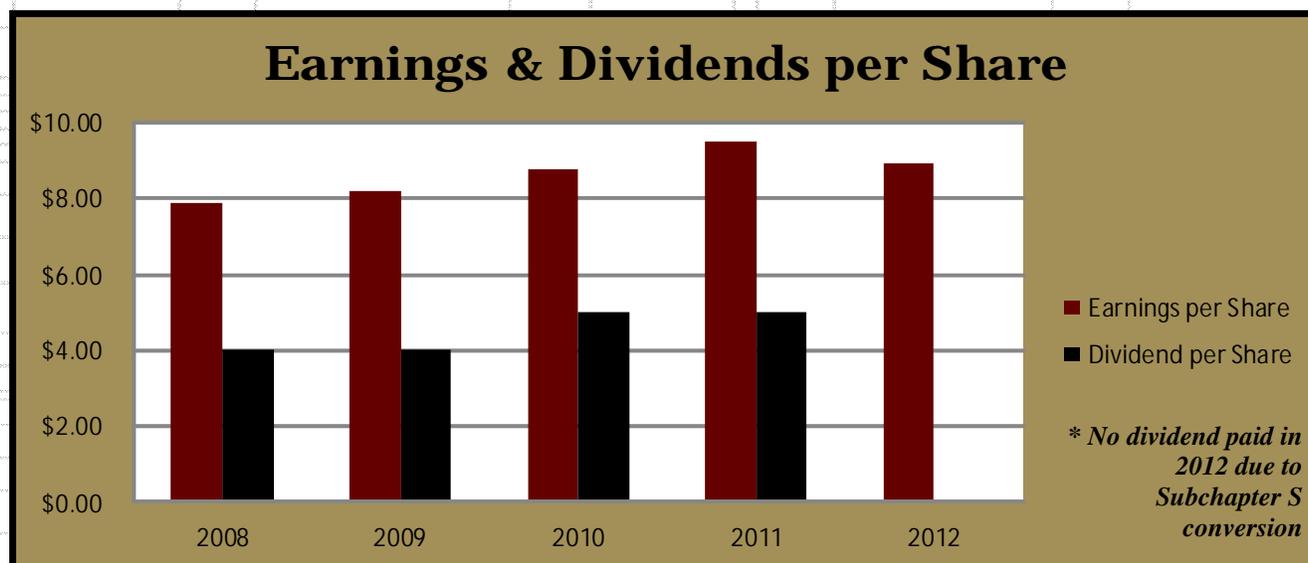
Resources At Year End	<u>2008</u> (Audited)	<u>2009</u> (Audited)	<u>2010</u> (Audited)	<u>2011</u> (Audited)	<u>2012</u> (Unaudited)
Cash and Due from Banks	\$8,033,660	\$11,820,191	\$9,738,145	\$15,584,660	\$22,185,345
Investment Securities*	\$81,400,131	\$90,890,464	\$111,898,594	\$136,276,298	\$133,790,083
Loans	\$162,130,742	\$165,449,788	\$155,070,881	\$155,954,340	\$148,141,072
Provision For Loan Loss	(\$1,979,958)	(\$2,562,014)	(\$2,452,559)	(\$3,167,946)	(\$2,549,606)
Loans Net of Provisions For Loss	\$160,150,784	\$162,887,774	\$152,618,322	\$152,786,395	\$145,591,466
Fed Funds Sold	\$0	\$0	\$0	\$0	\$0
Bank Buildings/Equipment	\$6,759,626	\$6,443,194	\$6,111,338	\$5,883,447	\$5,196,487
Interest Earned-Not Collected	\$1,930,573	\$1,999,961	\$1,992,715	\$1,940,729	\$1,823,189
Other Assets	\$3,674,505	\$5,270,947	\$6,259,408	\$4,978,900	\$4,517,983
<b>Total Assets</b>	<b>\$261,949,279</b>	<b>\$279,312,531</b>	<b>\$288,618,522</b>	<b>\$317,450,429</b>	<b>\$313,104,553</b>
Liabilities At Year End	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Deposits	\$198,664,200	\$213,679,083	\$223,718,258	\$251,433,144	\$252,212,615
Repurchase Agreements	\$4,474,448	\$4,400,223	\$3,428,411	\$2,924,215	\$1,319,345
FHLB Borrowings	\$23,365,148	\$28,971,092	\$27,842,931	\$25,636,822	\$20,422,265
Other Liabilities	\$7,037,228	\$2,249,474	\$2,494,060	\$3,274,589	\$4,138,070
<b>Total Liabilities</b>	<b>\$233,541,024</b>	<b>\$249,299,872</b>	<b>\$257,483,660</b>	<b>\$283,268,770</b>	<b>\$278,092,295</b>
Capital	\$29,419,673	\$30,969,445	\$32,356,196	\$34,004,059	\$37,102,847
Treasury Stock	(\$1,203,448)	(\$1,832,521)	(\$1,902,121)	(\$1,902,121)	(\$4,324,855)
Number of Shares Treasury Stock	25,419	32,034	32,834	32,834	56,175
Unrealized Gain (Loss) on Sec	\$192,030	\$875,735	\$680,787	\$2,079,721	\$2,234,266
<b>Total Stockholders Equity</b>	<b>\$28,408,255</b>	<b>\$30,012,659</b>	<b>\$31,134,862</b>	<b>\$34,181,659</b>	<b>\$35,012,258</b>
<b>Total Liabilities and Capital</b>	<b>\$261,949,279</b>	<b>\$279,312,531</b>	<b>\$288,618,522</b>	<b>\$317,450,429</b>	<b>\$313,104,553</b>

## Trends in Capital & Assets



# COMPARATIVE STATEMENT OF EARNINGS

<b>Operating Income</b>	<b>2008</b> <b>(Audited)</b>	<b>2009</b> <b>(Audited)</b>	<b>2010</b> <b>(Audited)</b>	<b>2011</b> <b>(Audited)</b>	<b>2012</b> <b>(Unaudited)</b>
<b>Interest Income</b>	\$15,693,507	\$14,938,410	\$14,548,139	\$14,580,739	\$13,282,068
<b>Interest Expense</b>	\$4,762,227	\$3,384,890	\$3,018,472	\$2,641,188	\$2,149,275
<b>Net Interest Margin</b>	\$10,931,280	\$11,553,520	\$11,529,667	\$11,939,551	\$11,132,793
<b>Other Income</b>	\$3,026,320	\$3,313,977	\$3,359,349	\$3,693,572	\$4,492,173
<b>Total Income</b>	\$13,957,600	\$14,867,497	\$14,889,016	\$15,633,123	\$15,624,966
<b>Operating Expenses</b>	\$9,577,260	\$10,081,356	\$10,380,203	\$10,360,597	\$10,042,251
<b>Provision For Bad Debts</b>	\$572,380	\$993,792	\$583,330	\$1,051,477	\$1,508,506
<b>Total Operating Expenses</b>	\$10,149,640	\$11,075,148	\$10,963,533	\$11,412,074	\$11,550,757
<b>Federal Income Taxes</b>	\$846,181	\$770,713	\$701,902	\$736,944	\$1,001,660
<b>Earnings After Taxes</b>	\$2,961,779	\$3,021,636	\$3,223,581	\$3,484,105	\$3,072,549
<b>Earnings Per Share</b> <b>(BSJ Bancshares, Inc.)</b>	\$7.91	\$8.21	\$8.78	\$9.49	\$8.94
<b>Shares Outstanding</b>	374,581	367,966	367,166	367,166	343,825
<b>Return on Average Assets</b>	1.15%	1.11%	1.12%	1.15%	0.98%
<b>Return on Equity</b>	10.63%	10.41%	10.67%	11.02%	9.33%
<b>Dividend Per Share</b>	\$4.00	\$4.00	\$5.00	\$5.00	\$0.00 *





Safe & Sound

SINCE  
1902

[crosskeysbank.com](http://crosskeysbank.com)

## Honoring Tradition, Embracing Innovation

At Cross Keys Bank we value the traditions that strengthen community while embracing changing times and innovations in technology that make life more convenient. Call or visit the friendly professionals at Cross Keys Bank to learn more about our full range of banking products.

### Online Banking

Enjoy secure internet access to your money any time, anywhere. There is no software to install and you are protected with encrypted security protocols. View account activity, check balances, transfer funds and much more!

#### Special features include:

- **e-Statements:** Secure, easy and free! Receive your monthly bank statements electronically and eliminate the paper trail.
- **External Transfers:** Move money electronically between Cross Keys Bank accounts and accounts at other financial institutions.
- **Mobile Banking:** Instant connectivity to your accounts any time, anywhere right from your mobile device.
- **Phone App:** Smartphone owners stay connected with our free mobile app. Currently apps are available for iPhone, Android, Blackberry and Windows phones.
- **SMS Text Messaging:** Your account information is never more than a text away. Set up "Notify Me Alerts" to receive text messages alerting you to changes in your account including when a deposit is made, a debit over a certain amount occurs or when the balance drops below a certain amount.



Make check deposits  
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Send and receive money electronically to and from anyone, anywhere. ACH (Automated Clearing House) allows you to set up direct deposit so your paycheck goes directly into your account or set up an automatic payment for recurring bills. Wire transfers are a safe and convenient way to move funds from one location to another. It's great when traveling, conducting business from another location or in an emergency.

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In Monroe contact:  
**Chad Monsour, VP**  
 318.340.0027

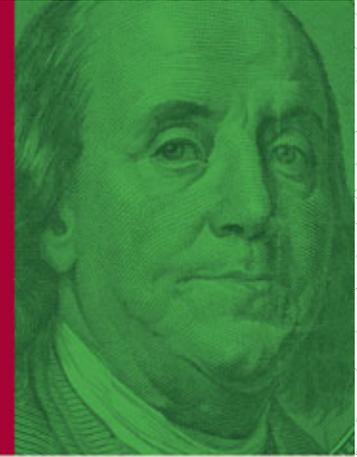
In St. Joseph contact:  
**Dee Micheau, CISR**  
 318.766.3279



*Insurance products are not FDIC insured and are not a deposit or obligation of or guaranteed by Cross Keys Bank. Certain life products may involve investment risks.*

"An investment in knowledge pays the best interest."

— Benjamin Franklin



Put our knowledge to work for you! We offer high-quality, comprehensive financial services and an array of products.

To learn more contact:  
**Mauri Turner,**  
**Investment Advisor**  
 318.361.3136

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Loans to Build, Buy or Re-fi!

- Home Mortgage Loans: Conventional, FHA, VA & Rural Housing
- Construction Loans
- Commercial Loans
- Lot Loans



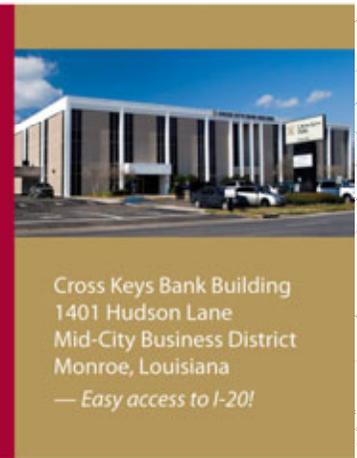
With low rates and an experienced staff we offer personal service to make the process of building, buying or re-financing as simple as it can be.

To learn more contact:  
**Beverly Joiner, Senior VP Mortgage Lending**  
 318.361.9050



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- Nightly janitorial service
- Security cameras

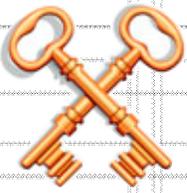


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**Babbette Adcock, Property Manager**  
 318.361.3132





# Cross Keys Bank

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Monroe, LA 71201  
318.361.9500

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1913 Julia Street  
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318.728.6380

**St. Joseph\***  
307 Plank Road  
St. Joseph, LA 71366  
318.766.3246

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423 Main Street  
Waterproof, LA 71375  
318.749.3276

**Cypress Street  
Administrative Office**  
3101 Cypress Street, Suite 3  
West Monroe, LA 71291  
318.340.6274

**Newellton\* †(ATM ONLY)**  
3144 Highway 65  
Newellton, LA 71357

**Sterlington\***  
167 Keystone Road  
Sterlington, LA 71203  
318.665.4511

**Tallulah\* †**  
115 North Chestnut  
Tallulah, LA 71282  
318.574.3210

**West Monroe\* †**  
400 McMillan Road  
West Monroe, LA 71291  
318.362.0023

*\*ATM Located at Branch  
†Deposit at the ATM*

