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Press Release

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Company Press Release

Jeffersonville Bancorp Announces Second Quarter Earnings of \$1,743,000 or \$0.41 per share and Year to Date Earnings of \$3,305,000 or \$0.78 per share; Declares Dividend of \$0.15

JEFFERSONVILLE, N.Y., August 15, 2018 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today second quarter net income of \$1,743,000 or \$0.41 per share compared to \$1,293,000 or \$0.31 per share for the same quarter in 2017. The increase in quarterly net income compared to 2017 of \$450,000 was primarily attributable to an increase in interest earned on loans of \$239,000 and an increase in interest on excess reserves (IOER) at the Federal Reserve Bank of \$210,000.

Year to date net income as of June 30, 2018 was \$3,305,000 or \$0.78 per share compared to \$2,696,000 or \$0.64 per share for the same period in 2017. The increase in year to date net income compared to 2017 was attributable to several factors. Interest income on loans increased by \$214,000, IOER at the Federal Reserve Bank increased by \$411,000, and non-interest income increased by \$60,000. In addition, occupancy expense decreased by \$102,000, other non-interest expense decreased by \$56,000, and tax expense decreased by \$125,000 compared to the same period in 2017. These improvements were partially offset by a non-recurring negative provision to loan losses of \$300,000, due to a large recovery of a previously charged off loan, that the Company recognized in the first half of 2017.

"We are very pleased with the Company's performance this year. Net income is up for the quarter by 35% and year to date by 22% compared to the same period one year ago. While income tax reform has helped us retain more of our earnings, income before taxes is up nearly \$500,000 or 14% year to date," said George W. Kinne, Jr., President and CEO.

A cash dividend in the amount of fifteen cents (\$0.15) per share on the common stock of the company was declared at the August 14, 2018 meeting of the Board of Directors. The dividend is payable on September 5, 2018 to stockholders of record at the close of business on August 28, 2018.

Jeffersonville Bancorp is a one-bank holding company, which owns all the capital stock of Jeff Bank. Jeff Bank maintains twelve full service branches in Sullivan and Orange County, New York located in Anawana Lake Road/Monticello, Eldred, Callicoon, Jeffersonville, Liberty, Livingston Manor, Loch Sheldrake, Monticello, Narrowsburg, Port Jervis, White Lake, and Wurtsboro.

Jeffersonville Bancorp and Subsidiary
Consolidated Balance Sheets

(In thousands, except share and per share data)

As of	June 30, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	\$ 87,955	\$ 73,437
Securities available for sale, at fair value	71,778	80,018
Securities held to maturity, fair value of \$32,660 at June 30, 2018 and \$30,909 at December 31, 2017	32,767	30,450
Loans, net of allowance for loan losses of \$3,595 at June 30, 2018 and \$3,526 at December 31, 2017	297,304	286,800
Accrued interest receivable	1,653	1,682
Bank-owned life insurance	17,673	17,506
Foreclosed real estate	1,215	948
Premises and equipment, net	6,851	7,079
Restricted investments	519	507
Other assets	<u>3,432</u>	<u>3,630</u>
Total Assets	<u>\$ 521,147</u>	<u>\$ 502,057</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	\$ 118,051	\$ 114,755
NOW and super NOW accounts	90,490	79,091
Savings and insured money market deposits	158,288	148,758
Time deposits	<u>85,004</u>	<u>91,058</u>
Total Deposits	451,833	433,662
Other liabilities	<u>5,197</u>	<u>6,016</u>
Total Liabilities	<u>457,030</u>	<u>439,678</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	63,598	61,563
Accumulated other comprehensive loss	<u>(3,383)</u>	<u>(3,086)</u>
Total Stockholders' Equity	<u>64,117</u>	<u>62,379</u>
Total Liabilities and Stockholders' Equity	<u>\$ 521,147</u>	<u>\$ 502,057</u>

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

For the Three Months Ended June 30,	2018	2017
Interest and Dividend Income		
Loan interest and fees	\$ 3,919	\$ 3,680
Securities:		
Taxable	289	271
Tax-exempt	526	578
Other interest and dividend income	314	104
Total Interest and Dividend Income	5,048	4,633
Interest Expense on Deposits		
	196	206
Net interest income	4,852	4,427
Provision for loan losses	—	—
Net Interest Income after Provision for Loan Losses	4,852	4,427
Non-Interest Income		
Service charges	279	289
Fee income	370	348
Earnings on bank-owned life insurance	84	89
Net gain on sales of securities	—	1
Other non-interest income	63	38
Total Non-Interest Income	796	765
Non-Interest Expense		
Salaries and employee benefits	2,151	2,165
Occupancy and equipment expenses	405	481
Foreclosed real estate expense, net	46	23
Other non-interest expenses	952	862
Total Non-Interest Expenses	3,554	3,531
Income before income tax expense	2,094	1,660
Income tax expense	351	367
Net Income	\$ 1,743	\$ 1,293
Basic earnings per common share	\$ 0.41	\$ 0.31
Average common shares outstanding	4,235	4,235
Cash dividends declared per share	\$ 0.15	\$ 0.14

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

For the Six Months Ended June 30,	2018	2017
Interest and Dividend Income		
Loan interest and fees	\$ 7,707	\$ 7,493
Securities:		
Taxable	555	507
Tax-exempt	1,060	1,186
Other interest and dividend income	598	187
Total Interest and Dividend Income	<u>9,920</u>	<u>9,373</u>
Interest Expense on Deposits		
	<u>391</u>	<u>413</u>
Net interest income	9,529	8,960
Provision (credit) for loan losses	—	(300)
Net Interest Income after Provision for Loan Losses	<u>9,529</u>	<u>9,260</u>
Non-Interest Income		
Service charges	577	560
Fee income	705	664
Earnings on bank-owned life insurance	168	177
Net gain on sales of securities	25	1
Other non-interest income	93	106
Total Non-Interest Income	<u>1,568</u>	<u>1,508</u>
Non-Interest Expense		
Salaries and employee benefits	4,337	4,339
Occupancy and equipment expenses	871	973
Foreclosed real estate expense, net	73	68
Other non-interest expenses	1,857	1,913
Total Non-Interest Expenses	<u>7,138</u>	<u>7,293</u>
Income before income tax expense	3,959	3,475
Income tax expense	654	779
Net Income	<u>\$ 3,305</u>	<u>\$ 2,696</u>
Basic earnings per common share	<u>\$ 0.78</u>	<u>\$ 0.64</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.30</u>	<u>\$ 0.28</u>