

JEFFERSONVILLE BANCORP

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Press Release

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For Release
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Company Press Release

Jeffersonville Bancorp Announces Record Earnings For 2018

JEFFERSONVILLE, N.Y., February 12, 2019 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today fourth quarter net income of \$1,137,000 or \$0.27 per share compared to \$253,000 or \$0.06 per share for the same quarter in 2017. The increase in quarterly net income was primarily due to an increase in interest on loans of \$516,000 and other interest and dividend income of \$146,000, and a decrease in income tax expense of \$992,000 related to the Tax Cut and Jobs Act legislation signed into law in December of 2017. These improvements were partially offset by an increase in provision for loan losses of \$350,000, total non-interest expense of \$301,000, and a decrease in non-interest income of \$152,000 related to a new accounting rule requiring changes in the value of equity securities to be reflected in net income instead of other comprehensive income.

For the year ended December 31, 2018, net income was \$6,203,000 or \$1.46 per share compared to \$4,292,000 or \$1.01 per share in 2017. The increase in year to date net income was primarily due to an increase in interest on loans of \$1,181,000 and other interest and dividend income of \$721,000, and a decrease in income tax expense of \$1,159,000 related to the Tax Cut and Jobs Act legislation signed into law in December of 2017. These improvements were partially offset by an increase in provision for loan losses of \$650,000 and total non-interest expense of \$417,000.

“Our net income for 2018 increased over 44% compared to 2017 and is the highest amount ever recorded by the Company,” said George W. Kinne, Jr., President and CEO, “Our net interest income, which reflects our core earnings strength, increased by over 10% compared to 2017. We are pleased that the improvement in our earnings allowed us to reward our shareholders with a special dividend in December and to recognize the hard work of our employees through our profit-sharing program.”

At its February 12, 2019 meeting, the Board of Directors declared a quarterly cash dividend in the amount of fifteen cents (\$0.15) per share on the common stock of the company. The dividend is payable on March 5, 2019 to stockholders of record at the close of business on February 26, 2019.

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 December 31, | 2018 | 2017 |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 60,554 | \$ 73,437 |
| Securities available for sale, at fair value | 68,815 | 80,018 |
| Equity securities held at fair value | 906 | — |
| Securities held to maturity, fair value of \$31,923 at December 31, 2018 and \$30,909 at December 31, 2017 | 31,874 | 30,450 |
| Loans, net of allowance for loan losses of \$3,311 at December 31, 2018 and \$3,526 at December 31, 2017 | 311,816 | 286,800 |
| Accrued interest receivable | 1,704 | 1,682 |
| Bank-owned life insurance | 18,341 | 17,506 |
| Foreclosed real estate | 1,351 | 948 |
| Premises and equipment, net | 6,707 | 7,079 |
| Restricted investments | 519 | 507 |
| Other assets | 4,082 | 3,630 |
| Total Assets | <u>\$ 506,669</u> | <u>\$ 502,057</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Liabilities | | |
| Deposits: | | |
| Demand deposits (non-interest bearing) | \$ 116,260 | \$ 114,755 |
| NOW and super NOW accounts | 82,746 | 79,091 |
| Savings and insured money market deposits | 160,513 | 148,758 |
| Time deposits | 76,166 | 91,058 |
| Total Deposits | 435,685 | 433,662 |
| Other liabilities | 5,762 | 6,016 |
| Total Liabilities | <u>441,447</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 | 65,070 | 61,563 |
| Accumulated other comprehensive loss | (3,750) | (3,086) |
| Total Stockholders' Equity | <u>65,222</u> | <u>62,379</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 506,669</u> | <u>\$ 502,057</u> |

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 Years Ended December 31, | 2018 | 2017 |
|--|-----------------|-----------------|
| INTEREST AND DIVIDEND INCOME | | |
| Loan interest and fees | \$ 15,992 | \$ 14,811 |
| Securities: | | |
| Taxable | 1,253 | 1,090 |
| Tax-exempt | 2,010 | 2,232 |
| Other interest and dividend income | 1,301 | 580 |
| Total Interest and Dividend Income | <u>20,556</u> | <u>18,713</u> |
| INTEREST EXPENSE | | |
| Deposits | <u>775</u> | <u>818</u> |
| Net interest income | 19,781 | 17,895 |
| Provision (credit) for loan losses | <u>350</u> | <u>(300)</u> |
| Net Interest Income after Provision for Loan Losses | <u>19,431</u> | <u>18,195</u> |
| NON-INTEREST INCOME | | |
| Service charges | 1,166 | 1,144 |
| Fee income | 1,483 | 1,368 |
| Earnings on bank-owned life insurance | 335 | 356 |
| Net (loss) gain on securities sold | (135) | 19 |
| Gain(loss) on equity change in fair value, net | (52) | — |
| Other non-interest income | <u>203</u> | <u>180</u> |
| Total Non-Interest Income | <u>3,000</u> | <u>3,067</u> |
| NON-INTEREST EXPENSES | | |
| Salaries and employee benefits | 8,963 | 8,592 |
| Occupancy and equipment expenses | 1,766 | 1,821 |
| Foreclosed real estate expense, net | 165 | 176 |
| Other non-interest expenses | <u>4,178</u> | <u>4,066</u> |
| Total Non-Interest Expenses | <u>15,072</u> | <u>14,655</u> |
| Income before income tax expense | 7,360 | 6,607 |
| Income tax expense | <u>1,156</u> | <u>2,315</u> |
| Net Income | <u>\$ 6,203</u> | <u>\$ 4,292</u> |
| Basic earnings per common share | <u>\$ 1.46</u> | <u>\$ 1.01</u> |
| Average common shares outstanding | <u>4,235</u> | <u>4,235</u> |
| Cash dividends declared per share | <u>\$ 0.70</u> | <u>\$ 0.57</u> |

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

| For the Three Months Ended December 31, | 2018 | 2017 |
|--|-----------------|----------------|
| INTEREST AND DIVIDEND INCOME | | |
| Loan interest and fees | \$ 4,228 | \$ 3,712 |
| Securities: | | |
| Taxable | 366 | 312 |
| Tax-exempt | 491 | 526 |
| Other interest and dividend income | 330 | 184 |
| Total Interest and Dividend Income | <u>5,415</u> | <u>4,734</u> |
| INTEREST EXPENSE | | |
| Deposits | <u>188</u> | <u>202</u> |
| Net interest income | 5,227 | 4,532 |
| Provision for loan losses | <u>350</u> | <u>—</u> |
| Net Interest Income after Provision for Loan Losses | <u>4,877</u> | <u>4,532</u> |
| NON-INTEREST INCOME | | |
| Service charges | 286 | 296 |
| Fee income | 390 | 347 |
| Earnings on bank-owned life insurance | 83 | 89 |
| Net (loss) gain on securities sold | (160) | 18 |
| Loss on equity change in fair value, net | (18) | — |
| Other non-interest income | <u>46</u> | <u>29</u> |
| Total Non-Interest Income | <u>627</u> | <u>779</u> |
| NON-INTEREST EXPENSES | | |
| Salaries and employee benefits | 2,463 | 2,304 |
| Occupancy and equipment expenses | 457 | 378 |
| Foreclosed real estate expense, net | 66 | 30 |
| Other non-interest expenses | <u>1,252</u> | <u>1,225</u> |
| Total Non-Interest Expenses | <u>4,238</u> | <u>3,937</u> |
| Income before income tax expense | 1,266 | 1,374 |
| Income tax expense | <u>129</u> | <u>1,121</u> |
| Net Income | <u>\$ 1,137</u> | <u>\$ 253</u> |
| Basic earnings per common share | <u>\$ 0.27</u> | <u>\$ 0.06</u> |
| Average common shares outstanding | <u>4,235</u> | <u>4,235</u> |
| Cash dividends declared per share | <u>\$ 0.25</u> | <u>\$ 0.15</u> |

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