

JEFFERSONVILLE BANCORP

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Press Release

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For Release
November 10, 2020

Company Press Release

Jeffersonville Bancorp Announces Third Quarter Earnings of \$1,296,000 or \$0.30 per share and Year to Date Earnings of \$3,606,000 or \$0.85 per share; Declares Dividend of \$0.15

JEFFERSONVILLE, N.Y., November 10, 2020 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today third quarter net income of \$1,296,000 or \$0.30 per share compared to \$1,698,000 or \$0.40 per share for the same quarter in 2019. The decrease in quarterly net income compared to 2019 of \$402,000 was primarily attributable to a decrease in total interest and dividend income of \$592,000 and an increase in total non-interest expense of \$45,000, partially offset by a decrease in tax expense of \$128,000, a decrease in provision for loan losses of \$50,000, and a decrease of \$45,000 in interest expense.

Year to date net income as of September 30, 2020 was \$3,606,000 or \$0.85 per share compared to \$5,461,000 or \$1.29 per share for the same period in 2019. The decrease in year to date net income compared to 2019 was largely attributable to the impact of Covid-19 on interest rates and service charge income. Interest income on loans decreased by \$1,265,000, interest on excess reserves at the Federal Reserve Bank decreased by \$846,000, total non-interest income decreased by \$430,000, and provision for loan losses increased by \$250,000. These impacts were partially offset by a decrease in tax expense of \$524,000, an increase in interest on securities of \$379,000, and a decrease in interest expense of \$62,000.

"The Company's performance, like most financial institutions, continues to be impacted by the Covid-19 pandemic. Rates are at historic lows and are predicted to remain low for some time. As interest income is by far the largest source of revenue, it is a challenging environment for the banking industry. We are optimistic that our focus on our core business, strong capital position, and our high levels of liquidity will enable us to successfully weather these unprecedented times and allow us to take advantage of

competitive opportunities as the economy recovers more fully," 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 November 10, 2020 meeting of the Board of Directors. The dividend is payable on December 3, 2020 to stockholders of record at the close of business on November 23, 2020.

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	September 30, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	\$ 110,613	\$ 72,886
Securities available for sale, at fair value	150,956	92,845
Equity securities held at fair value	1,146	1,283
Securities held to maturity, fair value of \$7,137 at September 30, 2020 and \$7,828 at December 31, 2019	6,619	7,437
Loans, net of allowance for loan losses of \$4,214 at September 30, 2020 and \$3,503 at December 31, 2019	302,726	305,023
Accrued interest receivable	2,834	1,593
Bank-owned life insurance	18,920	18,680
Foreclosed real estate	754	786
Premises and equipment, net	6,785	7,181
Restricted investments	501	535
Other assets	2,947	3,349
Total Assets	<u>\$ 604,801</u>	<u>\$ 511,598</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	\$ 163,829	\$ 117,828
NOW and super NOW accounts	109,223	88,381
Savings and insured money market deposits	188,391	164,765
Time deposits	63,086	64,246
Total Deposits	524,529	435,220
Other liabilities	6,495	6,189
Total Liabilities	<u>531,024</u>	<u>441,409</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	70,313	68,612
Accumulated other comprehensive loss	(438)	(2,325)
Total Stockholders' Equity	<u>73,777</u>	<u>70,189</u>
Total Liabilities and Stockholders' Equity	<u>\$ 604,801</u>	<u>\$ 511,598</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 Three Months Ended September 30,	2020	2019
Interest and Dividend Income		
Loan interest and fees	\$ 3,774	\$ 4,203
Securities:		
Taxable	480	344
Tax-exempt	486	423
Other interest and dividend income	40	402
Total Interest and Dividend Income	<u>4,780</u>	<u>5,372</u>
Interest Expense on Deposits	<u>138</u>	<u>183</u>
Net interest income	4,642	5,189
Provision for loan losses	250	300
Net Interest Income after Provision for Loan Losses	<u>4,392</u>	<u>4,889</u>
Non-Interest Income		
Service charges	172	280
Fee income	463	423
Earnings on bank-owned life insurance	79	84
Net gain on sales of securities	72	—
Unrealized gain on equity securities	30	6
Other non-interest income	34	45
Total Non-Interest Income	<u>850</u>	<u>838</u>
Non-Interest Expense		
Salaries and employee benefits	2,348	2,341
Occupancy and equipment expenses	373	453
Foreclosed real estate expense, net	17	27
Other non-interest expenses	959	831
Total Non-Interest Expenses	<u>3,697</u>	<u>3,652</u>
Income before income tax expense	1,545	2,075
Income tax expense	249	377
Net Income	<u>\$ 1,296</u>	<u>\$ 1,698</u>
Basic earnings per common share	<u>\$ 0.30</u>	<u>\$ 0.40</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.15</u>	<u>\$ 0.15</u>

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Consolidated Statements of Income
(In thousands, except per share data)

For the Nine Months Ended September 30,	2020	2019
Interest and Dividend Income		
Loan interest and fees	\$ 11,483	\$ 12,748
Securities:		
Taxable	1,385	998
Tax-exempt	1,346	1,354
Other interest and dividend income	335	1,181
Total Interest and Dividend Income	<u>14,549</u>	<u>16,281</u>
Interest Expense on Deposits		
	<u>480</u>	<u>542</u>
Net interest income	14,069	15,739
Provision for loan losses	750	500
Net Interest Income after Provision for Loan Losses	<u>13,319</u>	<u>15,239</u>
Non-Interest Income		
Service charges	589	822
Fee income	1,237	1,157
Earnings on bank-owned life insurance	240	255
Net gain on securities	136	—
Unrealized (loss) gain on equity securities	(253)	20
Other non-interest income	135	260
Total Non-Interest Income	<u>2,084</u>	<u>2,514</u>
Non-Interest Expense		
Salaries and employee benefits	7,052	6,858
Occupancy and equipment expenses	1,254	1,313
Foreclosed real estate expense, net	24	123
Other non-interest expenses	2,831	2,838
Total Non-Interest Expenses	<u>11,161</u>	<u>11,132</u>
Income before income tax expense	4,242	6,621
Income tax expense	636	1,160
Net Income	<u>\$ 3,606</u>	<u>\$ 5,461</u>
Basic earnings per common share	<u>\$ 0.85</u>	<u>\$ 1.29</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.45</u>	<u>\$ 0.45</u>

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