

JEFFERSONVILLE BANCORP

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Press Release

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Company Press Release

Jeffersonville Bancorp Announces Second Quarter Earnings of \$1,735,000 or \$0.41 per share and Year to Date Earnings of \$3,049,000 or \$0.72 per share; Declares Dividend of \$0.15

JEFFERSONVILLE, N.Y., August 10, 2021 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today second quarter net income of \$1,735,000 or \$0.41 per share compared to \$1,264,000 or \$0.30 per share for the same quarter in 2020. The increase in quarterly net income compared to 2020 of \$471,000 was primarily attributable to an increase in total non-interest income of \$266,000, a decrease in the provision for loan losses of \$250,000, an increase in total interest and dividend income of \$232,000, and a decrease in interest expense of \$76,000, partially offset by an increase in total non-interest expense of \$181,000, and an increase in income tax expense of \$172,000 compared to the same period in 2020.

Year to date net income as of June 30, 2021 was \$3,049,000 or \$0.72 per share compared to \$2,310,000 or \$0.55 per share for the same period in 2020. The increase in year-to-date net income compared to 2020 of \$739,000 was primarily attributable to an increase in unrealized gains on securities of \$617,000, a decrease in the provision for loan losses of \$500,000, a decrease in interest expense of \$147,000, and an increase in fee income of \$185,000, partially offset by a decrease in total interest and dividend income of \$304,000, an increase in income tax expense of \$243,000, and an increase in salaries and employee benefits expense of \$129,000 compared to the same period in 2020.

"The Company's performance has improved despite historically low interest rates caused by Federal Reserve policies aimed at recovering from the severe economic downturn at the start of the Covid-19 pandemic. Fee income has increased as economic activity continues to improve to more normal levels. Expected increases in loan defaults that led to higher loan loss provisions have not materialized thus far. There is still considerable uncertainty about the course of the economy and specifically, high levels of government stimulus.

Industry wide, government stimulus has led to higher deposit levels at the same time loan demand has decreased. The Company has cautiously increased its investment portfolio in this low-rate environment but remains highly liquid, which will allow us to take advantage of competitive opportunities as they arise," 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 10, 2021 meeting of the Board of Directors. The dividend is payable on September 1, 2021 to stockholders of record at the close of business on August 23, 2021.

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, 2021 | December 31, 2020 |
|---|---------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 174,914 | \$ 121,474 |
| Securities available for sale, at fair value | 174,404 | 157,877 |
| Equity securities held at fair value | 2,144 | 1,327 |
| Securities held to maturity, fair value of \$7,326 at June 30, 2021 and \$7,828 at December 31, 2019 | 6,835 | 7,118 |
| Loans, net of allowance for loan losses of \$4,379 at June 30, 2021 and \$3,503 at December 31, 2019 | 289,353 | 294,781 |
| Accrued interest receivable | 2,338 | 2,361 |
| Bank-owned life insurance | 19,543 | 19,499 |
| Foreclosed real estate | 492 | 717 |
| Premises and equipment, net | 6,399 | 6,630 |
| Restricted investments | 487 | 501 |
| Other assets | 3,361 | 4,311 |
| Total Assets | \$ 680,270 | \$ 616,596 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Liabilities | | |
| Deposits: | | |
| Demand deposits (non-interest bearing) | \$ 185,808 | \$ 159,647 |
| NOW and super NOW accounts | 134,410 | 111,830 |
| Savings and insured money market deposits | 210,915 | 200,561 |
| Time deposits | 66,005 | 63,362 |
| Total Deposits | 597,138 | 535,400 |
| Other liabilities | 6,413 | 6,766 |
| Total Liabilities | 603,551 | 542,166 |
| 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 | 72,660 | 70,882 |
| Accumulated other comprehensive loss | 157 | (354) |
| Total Stockholders' Equity | 76,719 | 74,430 |
| Total Liabilities and Stockholders' Equity | \$ 680,270 | \$ 616,596 |

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 June 30, | 2021 | 2020 |
|---|----------|----------|
| Interest and Dividend Income | | |
| Loan interest and fees | \$ 3,820 | \$ 3,750 |
| Securities: | | |
| Taxable | 585 | 489 |
| Tax-exempt | 497 | 467 |
| Other interest and dividend income | 73 | 37 |
| Total Interest and Dividend Income | 4,975 | 4,743 |
| Interest Expense on Deposits | 91 | 167 |
| Net interest income | 4,884 | 4,576 |
| Provision for loan losses | — | 250 |
| Net Interest Income after Provision for Loan Losses | 4,884 | 4,326 |
| Non-Interest Income | | |
| Service charges | 207 | 154 |
| Fee income | 510 | 407 |
| Earnings on bank-owned life insurance | 76 | 90 |
| Net gain on sales of securities | — | 64 |
| Unrealized gain (loss) on equity securities | 99 | (46) |
| Other non-interest income | 107 | 64 |
| Total Non-Interest Income | 999 | 733 |
| Non-Interest Expense | | |
| Salaries and employee benefits | 2,415 | 2,308 |
| Occupancy and equipment expenses | 404 | 413 |
| Foreclosed real estate expense, net | — | 2 |
| Other non-interest expenses | 949 | 864 |
| Total Non-Interest Expenses | 3,768 | 3,587 |
| Income before income tax expense | 2,115 | 1,472 |
| Income tax expense | 380 | 208 |
| Net Income | \$ 1,735 | \$ 1,264 |
| Basic earnings per common share | \$ 0.41 | \$ 0.30 |
| Average common shares outstanding | 4,235 | 4,235 |
| Cash dividends declared per share | \$ 0.15 | \$ 0.15 |

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

| For the Six Months Ended June 30, | 2021 | 2020 |
|---|-----------------|-----------------|
| Interest and Dividend Income | | |
| Loan interest and fees | \$ 7,264 | \$ 7,709 |
| Securities: | | |
| Taxable | 1,100 | 905 |
| Tax-exempt | 979 | 860 |
| Other interest and dividend income | 122 | 295 |
| Total Interest and Dividend Income | <u>9,465</u> | <u>9,769</u> |
| Interest Expense on Deposits | | |
| | <u>195</u> | <u>342</u> |
| Net interest income | 9,270 | 9,427 |
| Provision for loan losses | <u>—</u> | <u>500</u> |
| Net Interest Income after Provision for Loan Losses | <u>9,270</u> | <u>8,927</u> |
| Non-Interest Income | | |
| Service charges | 397 | 417 |
| Fee income | 959 | 774 |
| Earnings on bank-owned life insurance | 152 | 161 |
| Net gain on securities | 3 | 64 |
| Unrealized gain (loss) on equity securities | 334 | (283) |
| Other non-interest income | 172 | 101 |
| Total Non-Interest Income | <u>2,017</u> | <u>1,234</u> |
| Non-Interest Expense | | |
| Salaries and employee benefits | 4,833 | 4,704 |
| Occupancy and equipment expenses | 892 | 881 |
| Foreclosed real estate expense, net | 17 | 7 |
| Other non-interest expenses | 1,866 | 1,872 |
| Total Non-Interest Expenses | <u>7,608</u> | <u>7,464</u> |
| Income before income tax expense | 3,679 | 2,697 |
| Income tax expense | <u>630</u> | <u>387</u> |
| Net Income | <u>\$ 3,049</u> | <u>\$ 2,310</u> |
| Basic earnings per common share | <u>\$ 0.72</u> | <u>\$ 0.55</u> |
| Average common shares outstanding | <u>4,235</u> | <u>4,235</u> |
| Cash dividends declared per share | <u>\$ 0.30</u> | <u>\$ 0.30</u> |

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